United Nations A/73/342

General Assembly

Distr.: General
24 August 2018

Original: English

Seventy-third session
Item 135 (t) of the provisional agenda*
Financial reports and audited financial statements, and reports of the Board of Auditors: United Nations Joint Staff Pension Fund

Implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2017 on the United Nations Joint Staff Pension Fund

Report of the Secretary of the United Nations Joint Staff Pension Board and the Representative of the Secretary-General for the investment of the assets of the Fund

Summary

The present report is submitted in accordance with General Assembly resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations entities to report to the Assembly, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, on measures taken or to be taken to implement those recommendations.

The report provides information further to the comments already submitted to the Board of Auditors, which were included in the Board's final report on the United Nations Joint Staff Pension Fund.

Therefore, in an effort to reduce redundancy and streamline documentation, the present report provides additional comments of the Fund only where required, as well as information on the status of implementation, the department responsible, the estimated completion date and the priority of each recommendation contained in the reports of the Board. In addition, the report provides an update on the status of implementation of the Board's recommendations relating to prior periods that the Board considered not to have been fully implemented.

* A/73/150.

18-14002 (E) 310818

Please recycle

Introduction

1. The present report is submitted in accordance with the provisions of paragraph 7 of General Assembly resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations entities, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, to provide the Assembly with their responses and to indicate the measures that would be taken to implement those recommendations, with appropriate timetables.

2. In preparing the present report, account was taken of the provisions of General Assembly resolution 70/238 A, in which the Assembly, in paragraph 14, stressed that the report of the Board of Auditors on the United Nations Joint Staff Pension Fund should be submitted separately to the General Assembly, as is the case with other United Nations entities, and decided that a copy should continue to be annexed to the report of the United Nations Joint Staff Pension Board. In paragraph 5 of its resolution 71/261 A, the Assembly decided to consider further the report of the Board of Auditors on the United Nations Joint Staff Pension Fund under the agenda item relating to the report of the United Nations Joint Staff Pension Fund.

A. Implementation of the recommendations contained in the report of the Board of Auditors on the United Nations Joint Staff Pension Fund for the year ended 31 December 2017[1]

3. The status of implementation of the main recommendations as at August 2018 is summarized in table 1.

Table 1
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of Investment Management	5	–	5	5	–
Fund secretariat	7	–	7	7	–
Total	**12**	**–**	**12**	**12**	**–**
Percentage	**100**	**–**	**100**		

4. The status of implementation of all recommendations as at August 2018 is summarized in table 2.

Table 2
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of Investment Management	9	–	9	9	–
Fund secretariat	8	–	8	8	–
Total	**17**	**–**	**17**	**17**	**–**
Percentage	**100**	**–**	**100**		

[1] A/73/5/Add.16.

5. **In paragraph 29, the Board recommended that the Fund process the cases pending for a long time on a priority basis and in a time-bound manner.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

6. The Fund will introduce additional system enhancements to facilitate the identification of cases that are ready for processing and enhance its business intelligence system to accurately report case status, as well as the time taken to process each type of benefit.

7. **In paragraph 36, the Board recommended that the Fund undertake a data cleansing exercise to identify and close all of the workflows that remained open owing to issues in the Integrated Pension Administration System.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

8. Workflow issues have been identified and related system fixes in the Integrated Pension Administration System are being implemented or already implemented. These fixes will allow the automatic closing of workflows completed or closing cases that require no further action.

9. **In paragraph 38, the Board recommended that the Fund have a system audit done of the Integrated Pension Administration System to identify the deficiencies and issues in the system so that they could be corrected.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Second quarter of 2020

10. The Fund had already commissioned and completed a "health-check" review of the database module of the Integrated Pension Administration System, which was conducted by the manufacturer of the database itself. As recommended by the Board of Auditors, the Fund will commission a comprehensive system audit of the Integrated Pension Administration System to also evaluate the new functionalities offered by the upgraded version of the application.

11. **In paragraph 46, the Board recommended that the Fund engage with member organizations and resolve the issues in transmission to the Fund of the documents required for the processing of pension benefits.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Third quarter of 2019

12. The Fund is actively working to monitor and implement mechanisms to ensure the timely submission of core separation documents from the member organizations. The Fund has designated focal points with member organizations. The Fund shares information with these focal points and reports on upcoming separations. The employer self-service portal will be enhanced to include additional information on the status of all core separation documents.

13. **In paragraph 47, the Board recommended that the Fund develop a system for receiving the required documents through a secure electronic interface.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Second quarter of 2020

14. The Fund is currently collaborating with the United Nations Secretariat to implement an enhancement project to create a data interface between Umoja and the Integrated Pension Administration System to further automate the exchange of information and documentation about retiring staff. The new interface will provide several improvements, in terms of timely updates on the status of the separation documents, and increase accuracy of data and ease of access for retirees to a centralized repository of information regarding the status of their separation process. In a subsequent phase, the Fund will seek to expand this initiative to other member organizations and explore mechanisms for the electronic submission of separation documents. The Fund will also study possible changes to the Fund's regulations to accept electronic signatures.

15. **In paragraph 55, the Board reiterated its recommendation that the Fund document the client grievance redressal mechanism (see A/72/5/Add.16, para. 112) and further recommended that the Fund establish a centralized client management system which provides a distinct tracking number that can be used by the client to track the status of the query or complaint until the final resolution of the issue.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

16. The Fund initiated a project for the implementation of a customer relationship management system. The Fund envisions a two-phase approach: an initial phase based on the adoption of an ad hoc system (i.e., iNEED), already implemented by the United Nations Secretariat. This system will provide the standard functionalities for collecting, processing, tracking and reporting on queries submitted by the Fund's

clients. A second phase will be based on the integration of the details collected and processed through the ad hoc system with the Integrated Pension Administration System system. This solution will further consolidate data related to all types of queries with the respective cases in the Integrated Pension Administration System system.

17. **In paragraph 61, the Board recommended that the Fund review the process of obtaining the certificate of entitlement and the suspended cases that had been on hold for an extended period.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Third quarter of 2020

18. The Fund secretariat will continue to review its certificate of entitlement process. Expected enhancements include the implementation of an automated signature verification. The Fund will review and take appropriate action on benefits suspended due to non-receipt of the certificate of entitlement. The Fund's regulations establish that rights to periodic benefits expire after five years for suspended cases. The Fund makes efforts to contact beneficiaries during the suspension period and gradually identifies suspended benefits that could be forfeited. Suspended benefits can be reinstated if the beneficiary contacts the Fund; otherwise, these will be forfeited at a later date.

19. **In paragraph 62, the Board recommended that the Pension Fund develop an automatic signature verification system to facilitate the certificate of entitlement process.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Third quarter of 2020

20. The Fund will continue the implementation of the project to automate the process of signature verification during the annual certificate of entitlement exercise. A contract is expected to be awarded in early 2019. The signature verification system is expected to be implemented during 2019, to be used for the certificate of entitlement exercise in 2020.

21. **In paragraph 67, the Board recommended that the Fund evolve guidelines for country, sector and currency-level sub-allocation of the risk budget for equities.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

22. The Office of Investment Management is currently working with the objective of establishing risk limits for equities. The Office has implemented a risk budget for the portfolio at the asset class level. It has also implemented risk limits for fixed income by duration and currency.

23. **In paragraph 70, the Board recommended that the Fund expedite the implementation of the recommendations of the independent review of the Fund's investment main practices, investment management and risk management.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

24. The independent review report mentions that the majority of the leading practices are already incorporated into Office of Investment Management practices. The Office has made good progress on the implementation of the most important recommendations made in the independent review report and will finalize the completion of all recommendations in the first quarter of 2019.

25. **In paragraph 75, the Board recommended that, in view of the foreign currency exposure, the Fund take expeditious action on the recommendations of the currency study to reduce the effect of foreign exchange volatility on its return on investments.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

26. The Office of Investment Management will continue to review its internal investment process and will implement the currency study recommendations, to better manage currency exposure.

27. **In paragraph 76, the Board recommended that the Fund expedite the asset-liability management study for alignment of its currency exposure with liabilities.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

28. The asset-liability management study is scheduled to be completed before the Pension Board meeting in July 2019. The request for proposals process to hire the consultant that will assist the Fund to develop the asset-liability management study has already started.

29. **In paragraph 77, the Board recommended that the Fund evolve suitable strategies and an action plan to manage the foreign currency risks on the basis of the results of the asset-liability management study.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

30. After completion of the asset-liability management study and the review of the results, the Office of Investment Management will develop and implement fit-for-purpose strategies and an action plan to manage the foreign currency risks.

31. **In paragraph 78, the Board recommended that the Fund prepare guidelines for currency exposure under each asset class relative to the benchmark.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

32. The Office of Investment Management is working towards establishing specific guidelines for currency exposure for each asset class vis-à-vis the benchmark.

33. **In paragraph 86, the Board recommended that the Fund properly plan and execute the acquisition of critical software.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

34. The Office of Investment Management is reviewing its internal process for planning and executing the acquisition of critical software.

35. **In paragraph 92, the Board recommended that the Fund conduct a fraud risk assessment in respect of the Office of Investment Management to identify the vulnerable areas and develop a suitable mitigation strategy.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

36. The Office of Investment Management will conduct an internal fraud risk assessment with the support of the Office of Internal Oversight Services. The fraud risk assessment will include identification of inherent fraud risk, assessment of

likelihood and significance of inherent fraud risk and response to likely and significant inherent and residual fraud risks. In addition to this initiative, a specialized information and communications technology (ICT) security consultant has been hired to analyse and recommend solutions for any potential ICT security weaknesses and will strengthen its training on fraud awareness. In addition, the annual ethics training will include a special module on fraud awareness.

37. **In paragraph 97, the Board recommended that the Fund internally run the reconciliation prototype tool at regular intervals until the contract with Morgan Stanley Capital International was finalized, and thereafter put in place a new internal reconciliation process to have a check on the outsourced function.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

38. The internal prototype tool was developed as an interim measure to provide Morgan Stanley Capital International with a definition of the requirements of the Office of Investment Management for building a more robust, production-ready process that could be performed with regularity. The next step for the Office is to contract with Morgan Stanley Capital International to take feeds directly from the service provider and to create a permanent reconciliation of the data between the service provider and Morgan Stanley Capital International. Expectation is that this feed will be in place before the second quarter of 2019 — with the respective reconciliations being performed as part of that process. The Office will need to put a new internal reconciliation process in place as part of that solution to ensure that management has the appropriate internal controls over this outsourced function. The longer-term goal of the ICT target operating model will be to provide the Office with stronger reconciliations across the business through automated tools. These tools will allow the Office to perform data reconciliations across platforms and will provide management with the ability to ensure that data is being accurately represented across the systems being used to support our business activities.

B. Implementation of the recommendations contained in the reports of the Board of Auditors on the United Nations Joint Staff Pension Fund for prior financial periods

39. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.16, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods.

40. The overall situation as at August 2018 regarding the 20 recommendations assessed by the Board as not fully implemented is summarized in table 3. In addition, the Board's report for 2016[2] contained in paragraph 106 one audit recommendation addressed to Pension Fund member organizations.

[2] A/72/5/Add.16, chap. II.

Table 3
Status of implementation of extant recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of Investment Management	8	–	8	8	–
Pension Fund secretariat	12	–	12	12	–
Total	**20**	**–**	**20**	**20**	**–**
Percentage	**100**	**–**	**100**		

Report of the Board of Auditors for the year ended 31 December 2013[3]

41. **In paragraph 47, the Fund secretariat agreed with the Board's reiterated recommendation to: (a) continue to improve controls and efficiency of the participant reconciliation exception process to ensure the discrepancies are identified and reconciled with member organizations in a timely manner; and (b) prepare monthly and year-end contribution reconciliations to ensure the accuracy of the contributions and receivables recorded in pension system and financial statements.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

42. The Fund is advancing in the monthly financial interfaces project. The pilot for the monthly reconciliation of contributions submitted by member organizations started in July 2018 and is planned to go live in January 2019. More organizations will be on board for monthly reporting and processing of contributions in 2019. Year-end contribution reconciliation is completed every year prior to the closing of the financial statements. The financial interfaces project for the monthly reconciliation will further improve the process.

43. **In paragraph 51, the Fund secretariat agreed with the Board's recommendation to: (a) utilize and promote the online self-service as an additional tool in the certificate of entitlement process along with the smooth implementation of the integrated pension administration system; and (b) consider establishing a practical plan to develop an automatic signature verification system or thumbprint/live image verification system to facilitate the certificate of entitlement process.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Third quarter of 2020

[3] A/69/9 (annex X).

44. Member self-service was expanded to provide client access to proof documents and allow non-two-track clients, who account for about 75 per cent of beneficiaries, to download, print and sign the certificate of entitlement. Additionally, member self-service allows retirees and beneficiaries to update their own addresses in member self-service and track all payments made to them by the Fund, including deductions made for after-service health insurance monthly payments if applicable. The Fund will continue the implementation of the project to automate the process of signature verification during the annual certificate of entitlement exercise. A contract is expected to be awarded in early 2019. The signature verification system is expected to be implemented during 2019, to be used for the certificate of entitlement exercise in 2020.

Report of the Board of Auditors for the year ended 31 December 2014[4]

45. **In paragraph 53, the Board recommended that the Fund ensure adherence to the stipulated benchmark for processing of benefits through improvements in efficiencies and use of information technology enabled services, since service to its members is the primary function of the Fund.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

46. The Fund shows progress in achieving the benefit processing benchmark of 75 per cent benefits processed within 15 business days of receipt of required separation documents. The Fund maintains a stable low inventory of outstanding initial separation cases, with approximately 80 per cent separations processed within the same calendar month. The Fund has also strengthened the exchange of information and cooperation with member organizations to expedite the submission of separation documents to the Fund. There are designated focal points, and information and reports are regularly exchanged with member organizations.

47. **In paragraph 65, the Board recommended that the Fund: (a) formulate a holistic policy for the strategic planning, governance and management of various information technology projects required or under implementation; and (b) take proactive measures to expedite the procurement of the replacement for the existing trade order management system and restrict additional expenditure on interim measures.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

48. The Office of Investment Management updated its ICT strategy document in 2017. The purpose of the ICT strategy document is to outline a summary of the projects and road map that the Office will undertake to modernize its infrastructure and prepare for the anticipated growth over the next 5 to 10 years. The Office has also

[4] A/70/325 (annex VI).

engaged the services of Cutter Associates — an external asset management technology consulting firm specializing in helping asset managers to develop long-term technology road maps based on industry best practices.

Report of the Board of Auditors for the year ended 31 December 2015[5]

49. **In paragraph 37, the Board recommended that the Fund devise a mechanism to assess the value addition to performance owing to active management of the portfolio on a regular basis so as to assess its impact and implement course correction as deemed necessary.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

50. The Office of Investment Management engaged with a vendor in 2017 to establish an independent review of the Fund's investment management and risk practices. The study contains a detailed checklist of the Fund's practices against industry standards. The study concluded that the majority of leading practices are already incorporated into Fund practices. Action to address the gaps identified by Deloitte is under way.

51. **In paragraph 75, the Board recommended that the Fund (a) address the foreign exchange exposure issue and employ suitable procedures and tools to mitigate foreign exchange losses; and (b) develop an internal mechanism to monitor, evaluate and manage losses or gains due to foreign exchange in addition to regular monitoring of fair value of the assets.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

52. BNP Paribas was appointed to undertake the currency management study in 2017, and the final report was delivered in February 2018. The draft study was discussed with the Investments Committee in November 2017. The management of the Office of Investment Management accepted the main conclusions of the study and is in the process of implementing strategies to better manage currency exposure.

53. **In paragraph 94, the Board recommended that the Fund enter into a service-level agreement defining the respective roles and responsibilities and service-level benchmarks and that it develop a mechanism to secure compliance with the agreement.**

[5] A/71/5/Add.16, chap. II.

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

54. The Office of Investment Management has developed a service-level agreement with Bloomberg, defining the respective roles and responsibilities, service-level benchmarks and developing a mechanism to secure its compliance. The Office expects to have a service-level agreement in place before the first quarter of 2019.

55. **In paragraph 105, the Board recommended that the Fund: (a) acknowledge all queries and complaints received from all sources; (b) segregate queries and complaints so as to address them appropriately; (c) devise a system of categorization and prioritization of complaints and their resolution; (d) inform the client periodically about the progress achieved in resolution of the complaint; (e) devise a system for monitoring and reporting the status of grievances to the appropriate levels in the Fund to ensure an effective client delivery mechanism; and (f) review the complaints data to help to identify the weaknesses of the system and to improve and streamline the existing processes.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

56. All queries are acknowledged, processed and tracked. Walk-ins are immediately served, all telephone calls are answered during business hours and all emails receive an automatic and topic-relevant response. A contact form was introduced into the Fund's website which allows queries to be categorized by topic and routed to the appropriate office. Dedicated email inboxes and an urgent attention page on the website enable the Fund to take prompt action for high-priority cases, including the death of a retiree/beneficiary and non-receipt of monthly benefit payment. Simultaneously, the Fund initiated a project for the implementation of a customer relationship management system. The Fund envisions a two-phase approach: an initial phase based on the adoption of an ad hoc system (i.e., iNEED), already implemented by the United Nations Secretariat. This system will provide the standard functionalities for collecting, processing, tracking and reporting on queries submitted by the Fund's clients. A second phase will be based on the integration of the details collected and processed through the ad hoc system with the Integrated Pension Administration System. This solution will further consolidate data related to all types of queries with the respective cases in the Integrated Pension Administration System.

57. **In paragraph 110, the Board recommended that the Fund prescribe a time frame for servicing the case load. An internal reporting framework for each type of benefit based on its priority should be established.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

58. The Fund's strategic framework and budget documents specify the indicator of achievement and target for benefit processing. The Fund is studying the specific requirements and processing statistics by initial separation type that will enable different benchmarks to be assigned to each benefit type. In the interim, the current benchmark of 75 per cent benefits (initial separations) processed within 15 business days of receipt of all required separation documents is applied to all benefit types.

59. **In paragraph 115, the Board recommended that the Fund simplify the process of obtaining the certificate of entitlement, including exploring the option of engaging the corresponding banks in the process.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

60. The Fund explored the possibility of engaging corresponding banks in the certificate of entitlement process; however, this was not feasible given the use of multiple correspondent banks to distribute payments to 190 countries and a diverse set of local regulations that impede banks involvement in the process. The certificate of entitlement process has been revised to ensure that all activities from the date of the mailing to the follow-up actions are completed within a calendar year. All non-two-track clients, about 75 per cent of the beneficiaries, can access and print their individual certificate of entitlement from member self-service, and this greatly improves access to the annual certificate of entitlement form.

Report of the Board of Auditors for the year ended 31 December 2016[6]

61. **In paragraph 41, the Board recommended that the Fund prepare a detailed risk budget for all categories of the assets.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

62. The Office of Investment Management adopted more detailed risk limits in early 2017 for the internally managed fixed income portfolio, including currency and duration limits. The Office is in the process of developing active limits for the Global Equity portfolio, and these active limits are expected to be implemented by the second quarter of 2019. The Office is taking action regarding the recommendation to prepare detailed risk limits for equities. Risk limits for fixed income are already implemented.

[6] A/72/5/Add.16, chap. II.

This may not be feasible for categories such as real assets and alternative investments. The Office will review and consider the recommendation as it relates to these asset classes, pending the outcome of further research and analysis.

63. **In paragraph 67, the Board recommended that the Fund incorporate provisions for the duration of the contract in the policy and formalize the evaluation method before awarding or renewing the contract of the fund managers.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

64. The Office of Investment Management updated its policy for external managers in April 2018, incorporating provisions regarding duration of the contract with external fund managers. Further to that, the Office also included in the policy additional details on the evaluation method. The Office will review the policy on a yearly basis, making sure that it is reflecting best practices.

65. **In paragraph 75, the Board recommended that the Fund update the business continuity plan and disaster recovery plan in the Office of Investment Management by including all the critical applications, determine recovery time objectives for all critical applications and carry out a business impact analysis study in view of the criticality of its operations.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

66. The Office of Investment Management entered into a contract in April 2018 for the provision of ICT security, risk management and business continuity management study for the Office.

67. **In paragraph 79, the Board recommended that the Fund prepare a comprehensive security policy for the Office of Investment Management that should be circulated widely among the management and the staff, and establish a mechanism to ensure its compliance.**

Department responsible:	Office of Investment Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

68. The Office of Investment Management will prepare a comprehensive security policy, and the outcome of the ICT security study is expected to assist the staff of the Office in addressing the recommendation.

69. **In paragraph 92, the Board recommended that the Fund (a) explore the possibility of further automating various steps in benefits processing; (b) build input controls to ensure standardized information in the Integrated Pension Administration System; (c) enhance the functionalities of the member self-service and employer self-service modules; and (d) resolve data issues from the migration to the Integrated Pension Administration System.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

70. The Fund will follow a two-pronged approach to further automate benefit processing, which involves the introduction of regular system enhancements and the upgrade of the system, which is expected to provide further opportunities for automation. The Fund has implemented new features for member self-service and employer self-service, such as a feature to allow beneficiaries to change address, a proof documents feature and reports available to member organizations with information on different types of cases. The Fund will continue to aggressively address data issues. In this effort, any root causes that are discovered will be documented and addressed accordingly.

71. **In paragraph 101, the Board recommended that the Fund (a) set a definite timeline to process all outstanding cases in which all documents have been received; and (b) prescribe a time frame for processing each type of entitlement or benefit.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

72. The Pension Fund strategic framework and budget documents specify the indicator of achievement and target for benefit processing. The Fund continues to show progress against the benefit processing benchmark of 75 per cent benefits (initial separations) processed within 15 business days of receipt of all required separation documents. The Fund substantially improved its performance in benefit processing during 2017. The Fund is studying the specific requirements and processing statistics that will enable different benchmarks to be assigned to each benefit type. In the interim, the current benchmark of 75 per cent benefits (initial separations) processed within 15 business days of receipt of all required separation documents is applied to all benefit types.

73. **In paragraph 112, the Board recommended that the Fund document a client grievance redressal mechanism and include procedures for indexing, segregating, prioritizing and monitoring the queries.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

74. The Fund initiated a project for the implementation of a customer relationship management system. The Fund envisions a two-phase approach. An initial phase based on the adoption of an ad hoc system (i.e., iNEED), already implemented by the United Nations Secretariat. This system will provide the standard functionalities for collecting, processing, tracking and reporting on queries submitted by the Fund's clients. A second phase will be based on the integration of the details collected and processed through the ad hoc system with the Integrated Pension Administration System. This solution will further consolidate data related to all types of queries with the respective cases in the Integrated Pension Administration System.

75. **In paragraph 118, the Board recommended that the Fund review: (a) the process of obtaining the certificate of entitlements; and (b) the suspended cases which are on hold for a longer period.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2019

76. All non-two-track clients, about 75 per cent of the Fund's beneficiaries, can access and print their individual certificates of entitlement from member self-service, greatly improving access to the annual certificate of entitlement form. The Fund is procuring an automated signature verification tool to further automate the certificate of entitlement process. Benefits are suspended after several attempts to reach the beneficiary. Suspended cases frequently require interaction with clients often in remote areas, which have poor mail services. The Fund gradually reviews suspended benefits that could be forfeited. The Fund's regulations establish that rights to periodic benefits expire after five years for suspended cases.

77. **In paragraph 124, the Board recommended that the Fund establish a system for receiving the schedules of contributions on monthly basis along with a list of participants from the member organizations to eliminate the generation of participant reconciliation exceptions.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

78. The first pilot for monthly reconciliation was initiated in July 2018 and is expected to go live in January 2019. More organizations will be on board for monthly reporting and processing of contributions in 2019. The Fund will also put into production a business intelligence tool that will enable monitoring of the monthly

reconciliation process. In the interim, contributions continue to be reconciled in the annual year-end process for the preparation of the Fund's financial statements.

79. **In paragraph 128, the Board recommended that the Fund carry out the reconciliation of the contribution by the member organizations at regular intervals.**

Department responsible:	Pension Fund secretariat
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

80. The year-end reconciliation is conducted in a timely manner every year, prior to the closing of the financial statements, to ensure the accuracy of the contributions and receivables recorded in the financial statements. The first pilot for monthly reconciliation started in July 2018 and is planned to go live in January 2019. More organizations will be on board for monthly reporting and processing of contributions in 2019. The Fund will also put into production a business intelligence tool that will enable monitoring of the monthly reconciliation process. In the interim, contributions continue to be reconciled in the annual year-end process for the preparation of the Fund's financial statements.

United Nations A/73/343

General Assembly

Distr.: General
27 August 2018

Original: English

Seventy-third session
Item 75 (a) of the provisional agenda*
Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

International cooperation on humanitarian assistance in the field of natural disasters, from relief to development

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 72/132, in which the Assembly requested the Secretary-General to continue to improve the international response to natural disasters and to report thereon to the Assembly at its seventy-third session. The report provides an overview of current efforts and progress made in this regard and discusses related trends, challenges and thematic issues. It concludes with recommendations for further improvements.

* A/73/150.

18-14051 (E) 180918

Please recycle

I. Year in review

A. Disaster data for 2017

1. For 2017, the Centre for Research on the Epidemiology of Disasters registered 335 reported disasters, which caused an estimated 9,697 deaths, affected 95.6 million people and caused $334.1 billion in damage.[1] The number of deaths and the number of affected people were lower than the annual average for the past 10 years, partially owing to improved disaster risk management. However, 2017 was the second most economically costly year on record, with major hurricanes, monsoon floods in the Indian subcontinent and a severe drought in parts of Eastern Africa, which were responsible for most of the human and economic losses. In many of the affected countries, the impacts of these disasters will be long-lasting, hindering and reversing progress towards the attainment of the Sustainable Development Goals and requiring years of recovery and reconstruction.

2. The Internal Displacement Monitoring Centre estimates that more than 18.8 million people were newly displaced by disasters in 135 countries and territories in 2017, disproportionately affecting countries with a high disaster risk in South Asia, East Asia and the Pacific. Weather-related disasters caused most of the new displacements, with floods displacing 8.6 million people and tropical storms leaving 7.5 million in need of shelter. More than half — 9.9 million — of the new displacements associated with disasters were triggered by just 10 events. Between 2008 and 2017, 246.4 million people were displaced by sudden-onset disasters, an average of 24.6 million people per year.[2]

3. The World Meteorological Organization reported that 2017 was one of the three warmest years on record and the warmest without the presence of an El Niño event. The year continued the dire trend of global warming, the world's nine warmest years having all occurred since 2005.[3]

4. Globally, severe and acute food insecurity and malnutrition continued to worsen dramatically. In 2017, 124 million people suffered from acute food insecurity and required urgent humanitarian assistance, an increase from 108 million people in 2016 and from 80 million people in 2015. This increase is mainly due to protracted and intensified conflict, displacement and consecutive poor harvests caused by persistent drought in countries in Eastern and Southern Africa already facing high levels of food insecurity. Drought and other weather-related events were major triggers of food crises in 23 countries and pushed over 39 million people into acute food insecurity, of whom almost 32 million were in Africa.[4]

B. Overview of disasters associated with natural hazards in 2017

5. Although the El Niño event that began in 2015 ended in May 2016, its effects continued into 2017 in many countries and regions. In Southern Africa, where an estimated 32 million people were food insecure between June 2016 and March 2017, including 18.6 million people who required humanitarian assistance, cyclones and

[1] Centre for Research on the Epidemiology of Disasters, Emergency Events Database. Available at www.emdat.be (accessed on 27 July 2018). The data used for the purposes of the present report exclude epidemics and insect infestations.

[2] Chloe Sydney and others, "Global report on internal displacement 2018" (Geneva, Internal Displacement Monitoring Centre, 2018).

[3] World Meteorological Organization (WMO), *WMO Statement on the State of the Global Climate in 2017* (Geneva, 2018).

[4] Food Security Information Network, "Global Report on Food Crises 2018" (2018).

floods destroyed lives and livelihoods and damaged infrastructure, houses and property across the region. Flooding that started in late 2016 had affected more than a million people by May 2017. In February, Tropical Cyclone Dineo affected 551,000 people in Mozambique, while Tropical Cyclone Enawo affected 434,000 people in Madagascar in March. In West Africa, a landslide caused more than 1,100 deaths in Sierra Leone.

6. In the Horn of Africa, humanitarian needs remained high, with 8.5 million severely food insecure people in Ethiopia by the end of 2017 owing to the lingering impact of the El Niño event and the onset of a new drought affecting parts of the country. Severe drought affected parts of Kenya, with some 5.6 million people needing humanitarian assistance, including 3.4 million food insecure people. Drought undermined people's livelihoods, exhausted coping capacities and led to widespread crop failure, water shortages and declining animal productivity and terms of trade for pastoralists, with a devastating impact on food security, nutrition and livelihoods. In Somalia, between December 2016 and June 2017, more than half of the cropland was affected by drought and herds were reduced by up to 60 per cent.

7. In 2017, more than 66 million people were affected by disasters in Asia and the Pacific. Severe flooding in Bangladesh, India and Nepal affected an estimated 40 million people, causing more than 1,200 deaths, displacing 1.9 million people and destroying crops and infrastructure. In Myanmar, monsoon floods displaced over 320,000 people. In Bangladesh, Tropical Cyclone Mora affected 3.3 million people, displacing 478,000 and leaving 540,000 in need of humanitarian assistance, including 300,000 Rohingya refugees who were living in camps in Cox's Bazaar at the time of the disaster. In the Philippines, where disasters affected over 3 million people, Tropical Storm Kai-Tak displaced 764,000 people and Tropical Storm Tembin displaced 435,000 people. Typhoon Damrey hit Viet Nam and caused flooding in 15 provinces, affecting more than 4.3 million people at the peak of the disaster, with nearly 400,000 requiring humanitarian assistance. In the Democratic People's Republic of Korea, drought reduced crop yields and affected 11 million people. In Vanuatu, Tropical Cyclone Donna affected three provinces. In Solomon Islands, three disasters disrupted basic services and damaged infrastructure.

8. The 2017 Atlantic hurricane season was extremely destructive, with 17 named storms, including a number of major hurricanes, many of which occurred in quick succession. In September, three category 5 hurricanes swept through the Caribbean, devastating the lives of millions of people and leaving hundreds of thousands homeless and displaced. Many affected and displaced communities have yet to recover and rebuild their lives, livelihoods and homes.

9. In the Latin America and Caribbean region, extreme rainfall led to severe flooding in Peru, affecting 1.1 million people; earthquakes in Mexico killed 467 people and affected over 1.4 million; and a mudslide in Mocoa, Colombia, killed 329 people, injured 332 more and left many others missing.

C. Funding trends related to disasters in 2017

10. A total of $330.7 million was reported to the Financial Tracking Service of the Office for the Coordination of Humanitarian Affairs in response to emergencies classified as disasters. Of that figure, a total of $121 million was reported in response to floods, cyclones and hurricanes in the Caribbean region and in Madagascar, Mozambique and Peru. In addition, $209.7 million was reported to address the consequences of the drought in Kenya. Funding was also allocated to drought-related programming as part of the famine response and prevention efforts in north-eastern Nigeria, Somalia, South Sudan and Yemen.

11. The Central Emergency Response Fund allocated $418.2 million in 2017. This included $140 million, or 33 per cent, for operations triggered by climate-related disasters, namely: $91.7 million to address urgent needs caused by drought; $28.3 million to address immediate needs caused by cyclones, typhoons and hurricanes; $19 million for efforts to respond to floods and landslides; and $1 million for efforts to respond to the effects of extreme temperatures.

12. In response to the unprecedented devastation caused by major hurricanes across the Caribbean region, humanitarian actors launched a response plan of $27.1 million for 265,000 people. Under a plan of action for Cuba, $55.8 million was sought for 2.15 million people. A flash appeal for Dominica was launched to raise $32 million to help 65,000 people. The international community provided funding and other support for the response efforts. The Central Emergency Response Fund allocated $11 million to kick start relief efforts across the Caribbean. To support post-hurricane recovery and reconstruction, Member States pledged $1.3 billion in aid and more than $1 billion in loans and debt relief at a donors' conference in November 2017.

II. Progress in strengthening disaster preparedness, response and resilience

A. Lessons learned from the 2017 Atlantic hurricane season and opportunities to improve future preparedness and response

13. While early warning systems and early action saved lives and ensured access to essential services, local responders and response mechanisms were also critical in the timely response to the hurricanes in the Caribbean region in 2017. In Cuba, preparedness measures enabled the evacuation of 1.9 million people. In Barbuda, the entire population of about 1,600 people was evacuated prior to the landfall of Hurricane Jose, following the extensive destruction already caused by Hurricane Irma. These measures were possible thanks to effective collaboration between national, regional and international disaster coordination structures and response mechanisms. The response also provided an opportunity to strengthen cooperation between the Caribbean Disaster Emergency Management Agency and international actors, including in strengthening operational readiness and early warning systems for future disasters.

14. The Caribbean Disaster Emergency Management Agency deployed more than 90 experts to undertake search and rescue operations, damage and needs assessments and relief operations, and sought international support to meet critical needs. United Nations Disaster Assessment and Coordination and surge teams were predeployed in the region to strengthen disaster response coordination, civil-military coordination and information management efforts. The timely availability of assessment data, including through satellite imagery, contributed to a swift and targeted response.

15. The hurricane season provided lessons for strengthening preparedness and response. Improved policies and capacities are required to strengthen resilience and preparedness for response and recovery at the national and local levels, including the development, funding and implementation of contingency plans. Strengthened regional capacities are needed to support countries that have not typically been affected by hurricanes and may therefore lack sufficient capacity. Local and community actors should be trained to take preventive and protective measures. Humanitarian actors must ensure strong coordination in order to reach affected populations and assess their needs. Communication and messaging should be appropriate, accessible and context-specific, tailored to communities and vulnerable groups. Access to the latest reliable baseline data should be improved in order to

effectively inform risk analysis and vulnerability assessments. Investment in risk-informed reconstruction, sustainable development and resilient infrastructure, supported by improved access to concessional loans and risk financing, are additional ways to reduce vulnerabilities to future natural hazards.

B. Disasters, agriculture and food security

16. Disasters often have long-lasting consequences owing to the loss of harvests and livestock, the outbreak of disease and the destruction of rural infrastructure and irrigation systems, affecting agricultural growth, rural livelihoods and ultimately national economies.

17. A review of 74 assessments conducted following disasters in 53 developing countries between 2006 and 2016 shows that 23 per cent of the total damage and loss caused by disasters — 83 per cent in the case of drought — in developing countries was absorbed by the agriculture sector, which includes crops, livestock, forestry, fisheries and aquaculture. Between 2005 and 2015, approximately $96 billion was lost due to declines in crop and livestock production following disasters in developing countries. About 75 per cent of the world's poor, most of them smallholder producers, reside in rural areas and are particularly hard hit by disasters and the resulting direct economic losses.[5] A better understanding of disaster impacts on agriculture and their wider implications for livelihoods is required to inform good agricultural practices, planning, budgeting and decision-making processes that incorporate disaster and climate-related risks.

18. The current rise in acute hunger reflects the increase in the number of people affected by conflict and disasters, underlying poverty and vulnerability and underinvestment in food security. As planting times for agricultural seasons are missed and livelihoods abandoned, humanitarian needs increase. Ensuring access to affected populations is critical in order to reach them and address their food security and other humanitarian needs. Investing in agriculture and addressing the root causes of vulnerability that lead to food insecurity and malnutrition are also essential in building resilience and reducing humanitarian needs and the cost of response in the future.

19. Social protection and safety nets are key to ensuring predictable support for building resilience at the household and community levels. Humanitarian actions should link into national mechanisms and join up with development programming to ensure that they can be scaled up quickly in the event of disasters, including through measures combining cash transfers with the provision of productive assets, inputs and training aimed at enhancing the livelihoods and productive capacities of poor and vulnerable households.

20. Effective preparedness, early warning systems and early action are essential in reducing the impacts of drought and other disasters. Heeding early warning signals with robust risk management measures can stop disasters from becoming catastrophes for smallholder producers and rural communities. Preliminary impact assessment results indicate that, in Kenya, early animal feed distribution to herders proved cost-effective. For every $1 invested, households received a benefit of $3.50 resulting from lower animal mortality, improved animal body conditions and increased milk production. In Somalia, 3 million families benefited from a programme to treat 22 million animals against diseases and to keep them alive and productive during the

[5] Food and Agriculture Organization of the United Nations (FAO), *The Impact of Disasters and Crises on Agriculture and Food Security 2017* (Rome, 2018).

drought. At a cost of $0.40 per animal, the treatment was 100 times more cost-effective than replacing a dead animal ($40).[6]

C. Advancing humanitarian and development collaboration

21. The challenges posed by increasingly severe and recurring disasters necessitate closer humanitarian and development collaboration. It is critical to articulate and operationalize collective humanitarian-development outcomes aimed at reducing need, risk and vulnerability.

22. To promote greater coherence in humanitarian and development action, the Secretary-General created the Joint Steering Committee to Advance Humanitarian and Development Collaboration to resolve operational, institutional and systemic barriers and to provide strategic advice, support and solutions for country-level leadership, including resident coordinators, humanitarian coordinators, United Nations country teams and humanitarian country teams. The repositioning of the United Nations development system will provide stronger results, so as "to reach the furthest behind first", and positions the development system to better reduce need, risk and vulnerability related to disasters and climate change.

23. Collective outcomes have been increasingly integrated into planning processes at the country level. In Somalia, the drought impact and needs assessment identifies the root causes and impacts of recurrent drought and informs the resilience and recovery framework, which is aimed at preventing future droughts from becoming major humanitarian crises. The framework joins up with the multi-year humanitarian response plan in pursuit of collective outcomes, including a reduction in the proportion of the population affected by climate-induced hazards by 25 per cent by 2022. In Burkina Faso, a collective outcome embedded in the United Nations Development Assistance Framework focuses on reducing the number of households vulnerable to climate shocks. In Mauritania, the partnership framework for sustainable development includes a collective outcome on anticipating and responding to crises and the effects of climate change.

24. More humanitarian and development collaboration is required to strengthen resilience. As 68 per cent of the world population is projected to live in urban areas by 2050, strengthening urban resilience in line with the New Urban Agenda is essential. Small island developing States are particularly vulnerable to, and disproportionately affected by, disasters and climate change and therefore require additional support.

D. Anticipating disasters and strengthening preparedness and early action in vulnerable countries

25. Key multi-stakeholder initiatives and inter-agency approaches continue to systematically strengthen the level of preparedness in hazard-prone countries. By the end of 2017, the Emergency Response Preparedness approach of the Inter-Agency Standing Committee was being implemented in 73 (or 96 per cent) of priority countries. The aim was to enhance an understanding of the risks, establish a minimum level of preparedness and take further steps to ensure response readiness, with the objective of increasing the speed and volume of life-saving assistance delivered in the first weeks of an emergency. The Committee is currently enhancing its approach by strengthening the operational focus and linkages with development, prevention

[6] FAO, *Horn of Africa: Impact of Early Warning Early Action* (Rome, 2018).

and mitigation activities, and by enabling humanitarian country teams to seek anticipatory financing.

26. The Committee has developed standard operating procedures to catalyse early warning into early action for extreme weather events related to the El Niño-Southern Oscillation. The procedures build on and complement the blueprint for action prepared by the Special Envoys of the Secretary-General on El Niño and Climate. They were developed to address the lessons learned during the most recent El Niño event and to provide a structured framework to initiate early action at all levels by outlining triggers and stating when and by whom corresponding actions need to be taken once there are warning signs of a possible or impending El Niño or La Niña event. In the first application of the procedures in 2016 and 2017, the Committee, through its global analytical cell of climate, humanitarian and development experts, assessed forecasts, alerted 19 identified high-risk countries and offered support in planning and implementing early action in response.

27. The Global Preparedness Partnership became operational in 2017, including nationally led diagnostic reviews to identify gaps in preparedness capacities for response and recovery and support requirements to address them. To provide predictable funding for a coherent preparedness approach, a multi-partner trust fund has been established, under the Partnership, to support 15 hazard-prone countries in attaining a minimum level of preparedness by 2020.

28. The Climate Risk and Early Warning Systems initiative is aimed at significantly increasing the capacity of least developed countries and small island developing States to generate and communicate multi-hazard early warnings and risk information. In 2017, the initiative assisted 19 Governments in the Pacific and Africa in improving their early warning systems and capacity so that warnings reach people exposed to hazards with targeted and actionable risk information. In 2017, the United Nations Development Programme (UNDP) supported over 90 ongoing early warning programmes globally, including in Asia and the Pacific, where the "#90drills" project raised awareness and fostered tsunami preparedness in 90 schools in 18 countries.

29. In 2017, the Capacity for Disaster Reduction Initiative delivered capacity-development services in seven countries. Assessments of national and local systems and capacities to reduce disaster risk across various socioeconomic sectors were conducted in Jordan and Zimbabwe and support for the development of national strategies for disaster risk management were provided in Georgia and Serbia. In addition, United Nations entities, the World Bank and the European Union supported the work of 11 countries in conducting post-disaster assessments and developing recovery frameworks, policies and institutions and provided seven national and regional training courses for over 300 government officials.

30. Demonstrating its invaluable role in sudden-onset emergencies, the United Nations Disaster Assessment and Coordination Team has been deployed to more than 281 missions in over 110 countries since it was founded in 1993. In 2017, the Team was deployed to 13 disaster response missions, the largest being in response to Hurricane Irma, in addition to carrying out activities aimed at improving national and regional preparedness.

31. The Global Crisis Centre Network, established as a community of practice for national and regional crisis centres, supports the exchange and analysis of information among international actors following sudden-onset disasters. In 2017, the Network developed draft standard operating procedures for its activation and operations, which were tested in multiple simulation exercises. Building on lessons learned, the Network aims to be ready for activation in the event of disasters in 2018.

32. Partnerships with the private sector were strengthened in 2017. UNDP and the Deutsche Post DHL Group supported training programmes in 10 countries as part of the "Get Airports Ready for Disaster" initiative to develop the capacity of airports to prepare for logistical challenges, avoid bottlenecks during major disasters and ensure that relief supplies reach affected people on time. By the end of 2017, 13 business networks were operational worldwide as part of the Connecting Business initiative, which strengthens the resilience of businesses and their engagement before, during and after disasters. During the course of 2017, eight networks responded to disasters, working alongside national and international actors in assisting communities, organizing information campaigns and rebuilding critical infrastructure.

33. Strong legal and institutional preparedness is essential for affected States that are likely to require international disaster assistance. The year 2017 marked the tenth anniversary of the adoption of the Guidelines for the Domestic Facilitation and Regulation of International Disaster Relief and Initial Recovery Assistance. So far, 30 countries have adopted legal instruments based on these recommendations and a dozen more have pending drafts. The Guidelines have informed three new regional treaties, and new tools were developed in 2017 to support States in reviewing and strengthening relevant domestic legal frameworks, including: (a) a model emergency decree developed by the International Federation of Red Cross and Red Crescent Societies (IFRC) and the Office for the Coordination of Humanitarian Affairs as a reference tool for situations where a clear legal framework is not in place before the onset of large-scale disasters; and (b) the IFRC Checklist on the Facilitation and Regulation of International Disaster Relief and Initial Recovery Assistance, developed to support self-assessments of existing national provisions against the recommendations set out in the Guidelines. Despite such progress, recent large-scale disasters demonstrate that efforts should continue in order to support Member States in strengthening legal preparedness and developing laws, rules and procedures to address common regulatory bottlenecks and problems related to incoming international humanitarian assistance.

E. Financing for anticipatory approaches

34. The humanitarian sector has never been more effective, efficient, accountable and influential, mobilizing more money than ever before and reaching tens of millions of vulnerable people every year. Nevertheless there is scope to improve the global humanitarian response system. Although early warning systems, weather forecasts and related communications have improved in recent years, they have not always led to early action because of a lack of predictable and readily available resources, ineffective decision-making and other internal and system-level inefficiencies. Slow financial and programmatic responses to past disasters, both sudden- and slow-onset, have hampered the effectiveness and efficiency of humanitarian assistance, contributed to increased needs on the ground and, ultimately, to costlier responses than if action had been taken earlier.

35. The humanitarian funding architecture should more systematically incentivize and enable early action. Too often, the world has watched disasters and tragedy unfold, before gradually mobilizing funding for the response. *With the adverse effects* of climate change already a grim reality for many countries, the humanitarian system needs to adopt an anticipatory approach that is less reliant on slow financial and programmatic responses, including global appeals. It should invest in preparedness, put the response plans and required funding in place before disasters strike and release funds and mobilize responders as soon as they are needed. Planning in advance to ensure an immediate response will reduce the impact of disasters and potential humanitarian needs.

36. The humanitarian system should continue to develop innovative financing approaches in this regard and should experiment and test innovations to demonstrate the benefits of anticipatory, data-driven models of allocating funding. Humanitarian actors are already taking promising steps towards the adoption of anticipatory financing approaches and innovative financing and insurance solutions. There is an increase in trigger-based funding mechanisms built on pre-established thresholds linked to scientific indicators. When the thresholds are met, and disasters are likely or imminent, the mechanisms systematically and automatically disburse pre-agreed finance allocations from dedicated funds, windows, insurance policies and contingent funding pools for pre-agreed plans that outline specific early actions. Successfully implemented, the mechanisms can help to prevent full-blown crises from developing.

37. Working with its partners, IFRC continues to promote and expand the coverage of forecast-based financing. In 2017, national Red Cross and Red Crescent societies initiated early actions on the basis of forecasts in Bangladesh, Mongolia and Togo. IFRC has established a dedicated forecast-based financing mechanism as part of its Disaster Relief Emergency Fund, providing a vehicle to support forecast-based action. The mechanism supports national societies and focuses on funding predefined early action protocols that are triggered by hazards that can be scientifically forecast on the basis of hydrometeorological risk data and observations. The mechanism provides a predictable, immediate and sustainable supply of funding for early action that overcomes the restrictions that annual humanitarian aid budgets may impose on projects in terms of flexibility, scale and accessibility.

38. The World Food Programme (WFP) is currently implementing forecast-based financing in 11 countries prone to recurrent climate-related hazards and is collaborating with national and local partners to determine early warning indicators and thresholds for early action. WFP partners with the International Research Institute for Climate and Society and national hydrometeorological services to strengthen forecasting capacities and integrate their early warning systems into national preparedness and early action plans. A return on investment study on implementing the approach in Nepal found cost savings of $22 million when responding to an emergency affecting 175,000 people.

39. In response to the El Niño event that ended in 2016, the Central Emergency Response Fund provided approximately $119 million to 19 countries. An independent review confirmed the significant value added of the Fund's contribution to meeting humanitarian needs. While the Fund's contribution was part of the first international funding made available for the response, the review concluded that the impact could have been greater had the Fund responded sooner. The review recommended that the Fund should systematically provide funding for early action based on early warning information. The potential expanded role of the Fund in contributing to early action in the context of its $1 billion funding target will be explored during 2018.

40. Strong data and predictive analysis play a key role in developing effective triggers for early action and further efforts are needed to increase their generation and utilization. Information used to trigger early action needs to be objective, relevant and actionable. The forecast-based financing model of the Food and Agriculture Organization of the United Nations to mitigate the impact of drought on pastoralists in Ethiopia, Kenya and Somalia used triggers based on an analysis of socioeconomic, health and climate indicators, including on milk production, stunting rates in children, pasture coverage and soil moisture levels. This analysis of evolving needs and vulnerability helped to inform cost-efficient early interventions with considerable cash benefits for pastoralist households. The Centre for Humanitarian Data is exploring ways of increasing the use of data to predict needs and inform evidence-based humanitarian action.

41. A proportion of needs following disasters could be met through insurance, however, on average, only 5 per cent of disaster costs are covered by insurance in developing countries. Regional insurance initiatives are already showing encouraging results. Four countries hit by Hurricane Irma and Hurricane Maria paid into a parametric insurance scheme to protect them from disaster impacts and received payouts of over $55 million from the Caribbean Catastrophic Risk Insurance Facility. Since 2015, the Africa Risk Capacity Insurance Company Limited, affiliated with the African Union, has paid out a total of $36 million to assist 2 million people as part of drought response in Malawi, Mauritania, the Niger and Senegal. The related Africa Risk Capacity Replica initiative, which has been piloted by WFP in Mali and Mauritania, will cover an additional 240,000 people against drought, with a maximum payout of $13.3 million. Public-private partnerships, such as the Insurance Development Forum and the InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions, complemented by micro-insurance initiatives such as the R4 Rural Resilience Initiative of WFP, can help to extend insurance in order to build resilience in communities exposed to climate-related risks.

42. More work is needed to identify and understand the incentives and interests of all stakeholders if forecast-based action is to become standard practice and increase in scale. A change of mindsets is required to accept and adapt to the uncertainty inherent in forecast-based financing and action. Donors and implementing organizations need to invest in the technical expertise and capacities, forecasting and data skills and political leadership required for effective forecast-based action. Humanitarian actors should analyse and identify best practices that are the most promising and have the most potential for scale-up and replication. Successful initiatives should be embedded institutionally, and the range of early actions expanded to achieve a more comprehensive impact. Financing for mechanisms brought to scale should be predictable, sustainable and sufficient.

43. The humanitarian system should also investigate other forms of disaster risk financing, including social and humanitarian impact bonds, and should make better use of private sector expertise. Ultimately, no single innovative financing approach can solve the challenge of increasing disaster risks and impacts or the resulting funding requirements. Various instruments and mechanisms should pool resources and complement each other effectively and efficiently in different contexts in a coherent, transparent and accountable manner. Predictable funding for preparedness, early action and rapid response must be complemented by development and private financing to address the underlying vulnerability and the root causes of disaster risk in order to ensure financing support that is coherent, layered and sequenced. This should include the use of crisis modifiers and tailored financing mechanisms for disaster risk reduction.

F. Enhancing the use of data and technology to improve disaster risk management

44. The Index for Risk Management continued to provide support to countries and organizations using shared open-source risk analysis to build an evidence-based shared understanding of crisis and disaster risk and to assist with decision-making and resource allocation. During 2017, subnational risk models continued to be developed for the Index, covering four regions and five countries. A new model was developed for the Niger, and the Sahel regional model was adapted to help in the development of the United Nations integrated strategy for the Sahel.

45. Launched in December 2017, the Centre for Humanitarian Data is dedicated to increasing the use and impact of data in humanitarian crises. The Centre builds on the

open-data sharing platform known as the Humanitarian Data Exchange, which connects thousands of data sets from more than 360 organizations working to respond to crises around the world. The Centre works to build the data skills of humanitarian workers and provides advice on data policy to humanitarian organizations. The Exchange was used in several disasters in 2017, including Hurricane Irma and Hurricane Maria, monsoon flooding in Bangladesh, flooding in Sierra Leone and an earthquake in Mexico.

46. Geospatial information is an important aspect of disaster risk management and can help to provide an accurate operational picture before, during and after disasters. During disasters, data sharing mechanisms to support decision-making are generally not in place. In 2017, the Committee of Experts on Global Geospatial Information Management adopted its Strategic Framework on Geospatial Information and Services for Disasters as a guide for Member States and other stakeholders to ensure the availability and accessibility of quality geospatial information and services across all phases of disaster risk management.

47. Disaster-prone locations are often insufficiently mapped and first responders lack the information to make informed decisions. Missing Maps is an open collaborative project that addresses this challenge by engaging a global community of volunteers and technical experts to use satellite imagery and add information, including available services and facilities for vulnerable and affected people, to data-rich maps to inform and improve preparedness and response activities.

G. Localizing disaster preparedness and response

48. At the World Humanitarian Summit in May 2016, calls were made for putting affected people at the centre of humanitarian responses and for building resilience and reinforcing national and local capacities, leadership and systems to prepare for, respond to and recover from crises, with tailored international support founded on complementarity. In 2018, two years since the summit, local partners and affected people are increasingly being recognized and meaningfully engaged, financed and empowered in humanitarian responses. More international partners are shifting from the traditional direct implementation model towards a more collaborative approach that provides greater opportunities for national and local partners to be integral in, and to lead, preparedness and response efforts.

49. A shared vision of the changes required in different contexts is needed to facilitate responses by national and local actors, together with the full, meaningful and effective participation of affected people. The adoption of concrete targets and common definitions can help to translate global commitments and standards into change at the field level. Programming, financing arrangements and decision-making are crucial in incentivizing and enabling community engagement and local action. International and national actors should develop a shared understanding of the capacity-building efforts needed to strengthen national and local leadership and institutions in disaster-prone contexts through sustained multi-year engagement.

50. Effective processes, tools and mechanisms should be in place to ensure the meaningful participation of affected people in the design, monitoring and review of policies and programming for preparedness and response and to increase the accountability of international actors. Stakeholders are increasingly using a human rights-based approach to programming, the Core Humanitarian Standard on Quality and Accountability and the commitments on accountability to affected people of the Inter-Agency Standing Committee as common references for efforts to put affected people at the centre of humanitarian action. The Communications and Community Engagement initiative, established under the auspices of the Communicating with

Disaster Affected Communities Network, is aimed at improving the quality and effectiveness of humanitarian aid through a more systematic and coordinated approach to community engagement throughout the humanitarian programme cycle. The approach provides a more complete picture of people's situations, views, experiences, needs and concerns, ensures consistent messaging and communication, reduces duplication of efforts and avoids overburdening communities with multiple uncoordinated approaches. Data and feedback from affected people and their overall participation will help providers to adjust and improve responses.

51. Funding for national and local actors is increasing, and international actors are exploring ways to further support the localization of aid, including by adapting existing mechanisms to ensure the systematic tracking of funding to national and local actors across the humanitarian system, in line with the commitment of the Grand Bargain to channel at least 25 per cent of humanitarian financing to such actors as directly as possible.

52. Pooled funds have a central role in empowering local responders and capacities. In 2017, the 18 country-based pooled funds managed by the Office for the Coordination of Humanitarian Affairs allocated 25 per cent of their total disbursement of $647 million directly to local and national responders. Donors should continue to increase support for pooled funds, identify and address internal restrictions that limit direct funding to national and local actors and provide incentives to recipients of grants to work in partnership with and through national and local responders.

53. Communities are increasingly being recognized and supported as the first line of resilience. The road map to community resilience developed by IFRC, which is currently being rolled out in 12 countries, provides guidance for communities in gaining a better understanding of disaster risk, addressing underlying vulnerabilities and building, scaling up and implementing people-centred and community-led resilience solutions and partnerships. The road map also helps communities to advance the efforts of the One Billion Coalition for Resilience, which connects networks and strengthens resilience solutions at the local level.

H. Disaster displacement

54. In a global context, where the risk of being displaced by disasters has doubled since 1970, the focus must shift to a risk management approach that scales up efforts to prevent disaster displacement by identifying drivers of risk and reducing the vulnerability and exposure of people at risk of displacement.

55. As disasters and the adverse effects of climate change are expected to become more frequent and severe, they will exacerbate other risk drivers such as food insecurity, water scarcity, poverty and rapid and unplanned urbanization, which may further increase the risk of displacement. This is likely to stretch the capacity of local, national, regional and global organizations. Today, preparedness and response capacities to meet current and emerging disaster displacement challenges are generally insufficient. Vulnerable and affected countries and regions should be supported in their efforts to strengthen capacities to prevent, manage and reduce the risk of disaster displacement, including in recovery and reconstruction. Moreover, systematic collaboration across sectors, mandates and areas of expertise is required to manage the disaster displacement risk, address its root causes and ensure coherent and predictable responses.

56. Continued efforts are required to improve data collection and the monitoring of the scale, trends and risks related to disaster displacement. Data on slow-onset events and processes remain scarce and the data that exist are mostly on sudden-onset events and generally not disaggregated by age, gender or duration of displacement. Robust

data are key to understanding and addressing current disaster displacement and future risk. Data should capture displacement over time and by type of movement to distinguish pre-emptive evacuations from spontaneous flight. Without knowing under which conditions people move and for how long they are displaced, disaster displacement cannot be fully understood and countries cannot develop appropriate risk management measures.

57. The Sendai Framework for Disaster Risk Reduction recognizes the link between disasters and displacement. This was emphasized in the outcomes of the fifth session of the Global Platform for Disaster Risk Reduction, held in Cancun, Mexico, in May 2017. In the Cancun high-level communiqué the increased likelihood of disaster displacement in conjunction with disaster risk was recognized. The Chair's summary stressed that the development of disaster risk reduction strategies should consider regional and cross-border perspectives and include provisions aimed at preventing displacement attributed to disasters, reducing the displacement risk, addressing the protection needs of displaced people and promoting durable solutions to displacement. The Words into Action guidelines on disaster displacement support the implementation of the Sendai Framework and assist in addressing disaster displacement through disaster risk management measures.

58. The Global Compact for Safe, Orderly and Regular Migration addresses underlying disaster displacement risk factors with a range of actions, policy instruments and best practices for States to consider using to minimize the adverse drivers and structural factors that compel people to leave their country of origin, including in the context of natural disasters, the adverse effects of climate change and environmental degradation. Actions include the integration of displacement considerations into disaster preparedness strategies, the development of adaptation and resilience strategies and coherent approaches to address the challenges of migration movements, taking into consideration relevant recommendations from processes such as the Agenda for the Protection of Cross-Border Displaced Persons in the Context of Disasters and Climate Change and the Platform on Disaster Displacement. Other relevant actions include: developing or building on existing national and regional practices for admission and stay that are of an appropriate duration for migrants compelled to leave their countries of origin; cooperating to identify, develop and strengthen solutions for migrants; and ensuring access to humanitarian assistance that meets the essential needs of migrants, with full respect for their rights.

59. The proposed global compact on refugees recognizes that the climate, environmental degradation and natural disasters increasingly interact with the drivers of refugee movements. The compact emphasizes the need for stakeholders with relevant mandates, roles and expertise to build on operational partnerships to ensure a coordinated approach and provide guidance and support for measures to assist persons displaced by disasters, taking into account national laws and regional instruments, as applicable, as well as practices such as temporary protection and humanitarian stay arrangements.

60. The Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, under the United Nations Framework Convention on Climate Change, was mandated by the Conference of the Parties at its twenty-first session, held in Paris in 2015, to establish a task force to develop recommendations for integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate change. Since its creation, the Task Force on Displacement has mapped, analysed and studied existing policies, tools, practices and data related to displacement in the context of sudden- and slow-onset disasters and long-term environmental and climate change. The final recommendations for integrated approaches on the basis of good practices and lessons

learned in addressing key legal, policy and institutional challenges will be included in a report to be submitted to the twenty-fourth session of the Conference of the Parties, which is to be held in Katowice, Poland, in December 2018.

61. Disaster displacement creates multidimensional challenges in the field of humanitarian action, development assistance and human rights. The Human Rights Council, in its resolution 35/20 on human rights and climate change, adopted at its thirty-fifth session in June 2017, recognized the human rights implications of climate change on migrants and persons displaced across international borders in the context of the adverse impacts of climate change as well as the urgency of protecting and promoting their human rights. In his follow-up report (A/HRC/38/21), the United Nations High Commissioner for Human Rights called for, inter alia: the protection and fulfilment of all human rights for persons crossing borders in the context of climate change; the establishment of safe, regular, dignified and accessible pathways for human mobility; the implementation and financing of adaptation measures that benefit the most vulnerable, facilitate safe and voluntary movement and minimize forced movement, including through strengthened social protection systems; and facilitation of the integration of climate change-related migrants in host communities, the regularization of their legal status and their access to labour markets.

62. As most disaster displacement takes place within countries, the implementation of the Guiding Principles on Internal Displacement is key to reducing and resolving it through prevention, protection and solutions for internally displaced persons. The twentieth anniversary of the Guiding Principles presents an opportunity to strengthen such strategies. If cross-border disaster displacement cannot be prevented or avoided, States and other stakeholders should consider the use of different humanitarian protection measures and other types of protection and migration tools and practices, and the scaling-up, replication and application of such measures, tools and practices more systematically and predictably.

63. The Platform on Disaster Displacement continued to implement the Agenda for the Protection of Cross-Border Displaced Persons in the Context of Disasters and Climate Change, which offers a consolidated set of practices and policy options on ways of preventing, preparing for and addressing internal and cross-border displacement in the context of disasters and the adverse effects of climate change, and of more effectively protecting and assisting persons displaced in these contexts. Among recent achievements in enhancing the use of effective practices at the regional level, the Platform organized a training activity in collaboration with the International Organization for Migration to disseminate the guide on effective practices for member countries of the Regional Conference on Migration in North and Central America and supported Costa Rica and Panama in organizing a simulation exercise that tested standard operating procedures for preparing protective and assistance mechanisms and joint responses to situations of cross-border disaster displacement. On the basis of the encouraging results and progress in the region, a guide on admission and stay is being developed for the South American Conference on Migration. Work is also under way with support from the International Organization for Migration to promote regional policy dialogue and capacity-building for action regarding climate change and human mobility in different regions, such as in the Pacific, and within the work of the South American Conference on Migration and the Intergovernmental Authority on Development. In follow-up to the Brazil Declaration and Plan of Action, aimed at upholding international and regional standards and ending statelessness in the Latin America and Caribbean region, the Office of the United Nations High Commissioner for Refugees is leading a study of national and regional laws, policies and practices to gain a better understanding of, and to address, cross-border displacement challenges in the context of disasters and climate change in the region.

I. Gender and disasters

64. Gender-responsive and transformative programming is crucial for effective disaster preparedness, response and recovery. Significant progress has been made in integrating gender into humanitarian action, a critical element in addressing the different experiences, views, needs, risk exposure and vulnerabilities of women, girls, boys and men, and to identify those most at risk of marginalization.

65. To advance the systematic integration of a gender perspective into preparedness, response and recovery mechanisms to achieve gender equality and the empowerment of women and girls, the Inter-Agency Standing Committee has strengthened system-wide approaches and guidance. In its Policy on Gender Equality and the Empowerment of Women and Girls in Humanitarian Action, the Committee sets out principles, standards and actions for integration into humanitarian action. Its Gender with Age Marker provides a diagnostic tool to address gender and age in programming, including as part of the Financial Tracking Service, while its updated Gender Handbook for Humanitarian Action provides practical guidance for promoting gender equality across sectors, especially in protection programming.

66. In 2017, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) supported 13 countries in developing gender-responsive disaster policy frameworks. Through the application of its minimum standard commitments to gender and diversity in emergency programming, IFRC supported 54 national Red Cross and Red Crescent societies in integrating gender and diversity approaches into their disaster response activities. In addition, IFRC is promoting the development of gender-responsive laws and policies on disaster risk reduction and protection from sexual and gender-based violence in disasters.

67. In March 2018, the Committee on the Elimination of Discrimination against Women adopted its general recommendation No. 37 on gender-related dimensions of disaster risk reduction in the context of climate change. The recommendation provides guidance on the application of related norms and obligations under the Convention on the Elimination of All Forms of Discrimination against Women and contributes to coherence, accountability and the mutual reinforcement of various international frameworks governing disaster risk reduction, climate change, humanitarian assistance and sustainable development. Governments and other stakeholders should refer to the recommendation for guidance to ensure that policies and actions comply with commitments under those frameworks and international human rights law.

J. Strengthening the resilience of persons with disabilities

68. Persons with disabilities are among the most marginalized in disaster-affected communities. While they share the same basic needs as all affected people and require the same essential humanitarian assistance, they have additional requirements concerning access, protection and other aspects of response. Their skills and capacities represent a wealth of knowledge and expertise, which are routinely overlooked.

69. Strengthening the inclusion of persons with disabilities of all ages, genders and types of impairment, including mental health and psychosocial disabilities, in humanitarian action and development assistance is a prerequisite for achieving the Sustainable Development Goals and the central commitments of the 2030 Agenda for Sustainable Development to leave no one behind and ensure dignity and human rights for all. In line with the Sendai Framework, the Convention on the Rights of Persons with Disabilities and the Charter on Inclusion of Persons with Disabilities in

Humanitarian Action, disaster risk management and humanitarian action should systematically encompass persons with disabilities as active stakeholders, including by removing barriers to their full participation, advancing inclusive policies, responses and services, ensuring that "building back better" improves accessibility and collecting disaggregated data on disability. At the Global Summit on Disability, held in London in July 2018, the global effort was galvanized and new commitments and deliverables were mobilized to address disability inclusion as part of humanitarian action and development assistance.

70. The Inter-Agency Standing Committee is developing system-wide guidelines on the inclusion of persons with disabilities in humanitarian action, which are to be finalized by the end of 2018. The guidelines will assist humanitarian actors, Governments and affected communities in undertaking essential actions that foster the effectiveness and efficiency of humanitarian action to ensure the full, effective and meaningful participation and inclusion of persons with disabilities across sectors and in all phases of humanitarian action.

III. Recommendations

71. **On the basis of the present report, the Secretary-General recommends that Member States, the United Nations, humanitarian and development organizations and other relevant stakeholders:**

(a) **Continue to strengthen disaster preparedness, response and recovery capacities at all levels, including by establishing and strengthening policies, plans, institutions and financial and monitoring mechanisms;**

(b) **Strengthen efforts to anticipate, prevent and respond to food insecurity in the context of disasters, including by advancing humanitarian and development collaboration and investing in agriculture to protect livelihoods and food production and in health systems; ensure a more comprehensive and coordinated response to achieve collective outcomes for food security and nutrition; address the underlying causes of food insecurity and malnutrition, including through productive support and social protection; build resilient and sustainable livelihoods in rural and urban areas; reinforce health systems; strengthen disaster risk monitoring, early warning systems and early action; and support sustainable food systems through inclusive policy processes, including through the participation of local communities, and effective partnerships;**

(c) **Develop and enhance the use of shock-responsive social protection systems that prevent and mitigate shocks, facilitate responses and strengthen livelihoods, resilience and recovery, as well as the use of humanitarian approaches, including cash-based transfers and complementary livelihood support, to contribute to the rebuilding of sustainable social and livelihood systems;**

(d) **Continue to support humanitarian and development collaboration, including the articulation and operationalization of collective outcomes to reduce need, risk and vulnerability;**

(e) **Strengthen anticipatory financing mechanisms and approaches and improve the use of data, predictive analysis, early warning systems, forecasts, context-specific triggers, protocols and pre-agreed plans to enhance decision-making and the effectiveness, efficiency, predictability, timeliness, coherence, complementarity, flexibility and scale of anticipatory and forecast-based financing for preparedness, early action and rapid response in order to reduce the impact of disasters and humanitarian needs, complemented by financing and**

programming to address the underlying vulnerability and root causes of disaster risk and to ensure that financing support is coherent, layered and sequenced;

(f) Increase contributions to country-based pooled funds in support of humanitarian response plans;

(g) Continue to invest in reliable and timely data, geospatial information services and open-source risk analysis to strengthen the evidence-based shared understanding of disaster risk and impacts and work to improve efficiencies in how data is collected, shared and used;

(h) Increase efforts to engage the private sector, including small and medium-sized enterprises, through strategic partnerships in disaster risk management activities and continue to develop tools to support private sector engagement in humanitarian action;

(i) Remove barriers that hinder collaboration between international, national, local and regional actors with a view to reinforcing and not replacing the capacities of local actors and institutions, including by complementing and reinforcing national coordination mechanisms, engaging local actors in international coordination mechanisms and providing financing to national and local responders as directly as possible;

(j) Continue to implement community engagement approaches through which communities receive timely information and have access to complaint and feedback mechanisms that improve the targeting of humanitarian assistance;

(k) Strengthen coherent approaches and financing to manage disaster displacement risk and address its root causes;

(l) Incorporate the systematic collection and reporting of data on disaster displacement and durable solutions in disaster risk reduction, sustainable development and humanitarian response plans and strategies;

(m) Implement the Global Compact for Safe, Orderly and Regular Migration, including by minimizing the adverse drivers and structural factors that compel people to leave their country of origin in the context of natural disasters, the adverse effects of climate change and environmental degradation, using available policy tools and guidance and building on existing partnerships;

(n) Support the work of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, under the United Nations Framework Convention on Climate Change, to implement recommendations for integrated approaches to avert, minimize and address displacement related to the adverse effects of climate change;

(o) Continue to advance the systematic integration of a gender perspective into preparedness, response and recovery activities in order to achieve gender equality and the empowerment of women and girls in humanitarian action, with programming responsive to the different and context-specific needs and vulnerabilities of affected people, including by ensuring the systematic collection, analysis and use of data disaggregated by sex, age and disability, and by prioritizing gender-responsive programming and the use of the Gender with Age Marker of the Inter-Agency Standing Committee;

(p) Translate policies and guidelines on including persons with disabilities into practice and ensure that systematic approaches to inclusive humanitarian action do not neglect persons with disabilities and their representative organizations.

United Nations A/73/344

General Assembly

Distr.: General
27 August 2018

Original: English

Seventy-third session
Item 137 of the provisional agenda*
Programme budget for the biennium 2018–2019

Progress on the replacement of office blocks A–J at the United Nations Office at Nairobi

Report of the Secretary-General

Summary

The present progress report highlights the steps taken following the issuance of the report of the Secretary-General on the implementation of the project for the replacement of office blocks A–J at the United Nations Office at Nairobi (A/72/375) and the subsequent approval of the General Assembly in resolution 72/262 A to initiate the project. The project was one of the near-term major construction projects identified in the report of the Secretary-General on the strategic capital review (A/72/393) and in preceding reports (A/70/697) and (A/69/760).

The present report provides an update on the progress made and information on the refinement of the project proposal. In summary, the new project proposal would entail a "right-sized" building development that replaces office blocks A–J and includes the implementation of flexible workspace strategies at all remaining office blocks located at the Gigiri complex. This approach would ensure that the future space needs of the United Nations Office at Nairobi and all other United Nations tenants located in Gigiri are met and would potentially allow additional United Nations specialized agencies, funds and programmes to join the secure Gigiri complex.

The estimated total project cost of $69.88 million, as indicated in the previous report of the Secretary-General, has been reduced in the present report by 5.2 per cent to a revised maximum overall project cost of $66.26 million. This is due to the refinement of the project implementation plan, which now considers the reuse of the existing publishing services building instead of the construction of a separate service block as proposed in the previous report. This refined approach presents several additional advantages, including the avoidance of temporary swing space, and an accelerated construction schedule that results in reduced overall escalation costs. It also poses a lower risk to the Organization than the previous proposal and provides the additional benefits of reduced energy consumption and increased space utilization.

* A/73/150.

18-14003 (E) 190918

Please recycle

It is recommended that the General Assembly approve the proposed scope, the revised lower maximum overall cost and the related implementation strategy for the project, approve the establishment of seven positions (1 P-5, 2 P-3, 2 National Officer and 2 Local level) for dedicated project management, support and coordination, appropriate an amount of $6,595,000 for the project for 2019 and approve the establishment of a multi-year construction-in-progress account for the project.

I. Background

1. Nairobi became one of the United Nations Headquarters duty stations following the establishment of the United Nations Environment Programme (UNEP) in 1972, with its headquarters in Nairobi. Initially, UNEP was based in the Kenyatta International Conference Centre in the city centre, but in 1975 the Government of Kenya donated a plot of 100 acres in Gigiri, and the original seven office blocks (A–G) were built as temporary office accommodation for the UNEP secretariat. These blocks, albeit later reinforced, are still being used as offices for United Nations agencies, funds and programmes.

2. The United Nations Human Settlements Programme (UN-Habitat) was established in 1978 and joined UNEP at the Gigiri complex. The complex continued to grow, and the Government donated an additional two plots, increasing the total area to 140 acres. In the period from 1983 to 1985, a conference centre and six additional office blocks (M, N, P, R, S and T) were constructed to accommodate UNEP and UN-Habitat. In the early 1990s, an additional five office blocks (Q, U, V, W and X) were constructed. In 1996, the United Nations Office at Nairobi was created as a central administrative function, merging the administrative functions of both UNEP and UN-Habitat. The Office has responsibility for the maintenance and upkeep of the Gigiri complex.

3. With the expansion of the United Nations presence in Nairobi, and in order to accommodate all United Nations funds, programmes and agencies, the new office facilities were successfully constructed on time and within the approved budget in 2010.

II. Project objectives, benefits and the refined approach

4. As detailed in the previous report of the Secretary-General on the proposal for the replacement of office blocks A–J at the United Nations Office at Nairobi (A/72/375), the Office completed the assessment of the condition of the buildings and infrastructure of the Gigiri complex in 2014, the findings of which were included in the report of the Secretary-General on the strategic capital review (A/70/697). That report identified various upgrades that were required to the site-wide infrastructure and buildings, including upgrades to the road network, power, water and waste management, as well as upgrades and improvements to the conference facilities and the replacement of the old office blocks A–J.

5. Office blocks A–J, on the Gigiri complex, were constructed in the late 1970s as semi-permanent buildings, initially intended as temporary accommodation. They comprise office space, medical and security functions, warehousing, contractors' workshops, a canteen and other operational facilities. They are approaching the end of their design life and, despite certain interior upgrades over the years, the buildings do not comply with prevailing codes, namely, across the following areas: (a) industrial health and safety compliance; (b) seismic code compliance; (c) hazardous materials; (d) accessibility; (e) energy efficiency/sustainability; and (f) space utilization.

6. Office blocks A–J do not meet current United Nations security requirements. In addition, the roofs are sagging, portions of the fabric are suffering from prolonged exposure to damp and the wiring reticulation presents a risk of fire. The buildings are not universally accessible, have problematic floorplate geometry, which precludes flexible furniture layouts and, owing to their structural properties, are at risk of severe damage in a seismic event. The strategic capital review determined that further investment in major maintenance of these buildings would in time cost more than their full replacement, as they have gone beyond their useful life.

7. There are also numerous prefabricated timber buildings on site, originally constructed as swing space but now serving as temporary office space, as well as temporary offices that have been constructed above the east and west conference rooms and by partitioning off portions of the main concourse.

8. The United Nations Office at Nairobi faces constant requests to provide additional office space to current tenants wanting to expand their operations, as well as agencies, funds and programmes wishing to move their operations to the Gigiri complex.

9. The existing blocks A–J currently provide office space to a number of offices of the United Nations Office at Nairobi, namely, the security facilities and medical services. In addition, they also provide office space to several agencies, funds and programmes, namely, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). Some of these agencies, funds and programmes have occupied space at the Gigiri complex for several decades, and through their rental payments have contributed significantly to the complex. The Office has a duty of care to the agencies, funds and programmes that are paying commercial-level rent and must ensure that the buildings are safe and fully compliant with all required security, information technology and life-safety standards, as is the case at any other United Nations duty station. Office blocks A–J no longer comply with current standards and pose serious life-safety threats in the case of a major seismic event. If blocks A–J were to be demolished without replacement, the Office would not be able to provide secure office space to the agencies, funds and programmes currently hosted in those blocks, and over $1 million in annual rental income to the Secretariat would be lost.

10. The refined proposal in the present report considers the replacement of: (a) existing office blocks A–J; (b) all temporary prefabricated office structures; and (c) the temporary office premises and other facilities mentioned in paragraph 7 above. The new office buildings described in the present report would be used as office space only for entities of the United Nations Office at Nairobi and other Secretariat entities. In addition, the refined proposal set out in the present report proposes the repurposing of the existing publishing services building and the consolidation of all service functions of the Office into the renovated publishing services building, which would be redesigned to fully support and accommodate the Office's secretariat functions, including: the provision of purpose-built facilities and infrastructure required for security (primary security control room); information technology (primary data centre); upgraded medical facilities; catering; consolidated warehousing; and transport and vehicle facilities, including workshops, maintenance and parking. The new office space established within the repurposed publishing services building and within the new office buildings would be constructed taking into account that flexible workspace strategies would consolidate the current footprint of the Secretariat tenants, allowing for extra office space to be made available to other United Nations tenants.

Possible impact of ongoing business transformational initiatives

11. Given that the Organization is currently in the process of developing and implementing business transformation initiatives, it is possible that the reforms may have an impact on future space requirements at the Gigiri complex. Accordingly, the project proposal is aimed at providing the maximum level of future flexibility in campus configuration and capacity. The Secretary-General considers that "right-sizing" of any new construction, meaning the ability to modify the total built area of the new construction and the ability to make more efficient and flexible use of the existing buildings in the future, is paramount to the success of the project in addressing future requirements. Foremost, however, are the current life-safety

deficiencies in blocks A–J which must be addressed, irrespective of future developments at the complex.

12. The proposal at this stage does not take into account or attempt to predetermine the outcome of the global service delivery model. The key objectives of the present report are to address the current life-safety deficiencies highlighted above. However, as indicated above, the refined proposal is flexible with respect to future changes that could lead to an increase or decrease in the demand for office space at the United Nations Office at Nairobi. Although the present report does not take into account the global service delivery model, it can be assumed that the possible impacts of the global service delivery model would be either an increase in the need for space (if Nairobi were to be selected as one of the future global service centres) or a decrease in the need for space (if Nairobi were not to be selected as one of the future global service centres and some current administrative functions were to move to an alternate location). The report of the Secretary-General to the General Assembly on the global service delivery model for the United Nations Secretariat (A/72/801/Add.1/Rev.1) contains the option of moving certain shared service functions to Nairobi. However, the General Assembly, in resolution 72/262 C, requested the Secretary-General to submit a new proposal for the global service delivery model no later than the first resumed part of its seventy-third session.

13. In this regard, the design for the new building is modular, as the same design process would allow for the building of one, two, three or four office blocks. The current proposal is to build two office blocks. Following the outcome of the global service delivery model, if there is a need to reduce space, the project could simply be adjusted for the building of only one block; similarly, if there was a need to increase space, the project could simply be adjusted for the building of three or four blocks. The present report indicates the design and tender phase for construction in 2020, with construction scheduled from 2021 to 2022. There would be flexibility until the end of 2020 to reduce the scope of construction (e.g., from two buildings to one) at no cost, and there would similarly be flexibility to increase the scope (e.g., from two buildings to three).

14. Given that the current life-safety deficiencies in blocks A–J must be addressed and that the buildings will be demolished, there is a need to build some replacement space, over and above what could be achieved through better space utilization over the rest of the compound. It is therefore required to proceed with the design of a new building of between one and two blocks in size irrespective of any future developments but, as explained above, this project proposal is scalable and flexible, allowing the United Nations Office at Nairobi to take into account any possible impact of ongoing business transformation initiatives.

Space utilization study

15. As detailed in the previous report of the Secretary-General, to better understand requirements, a space utilization study was carried out within the Gigiri complex in 2017. The study concluded that the average desk utilization was 44 per cent throughout the day, clearly demonstrating the potential to increase occupancy density. On the basis of guidance from the Office of Central Support Services and experience of best practice applied to other flexible workplace projects, such as in the Secretariat Building in New York, possible flexible working floor plans were prepared for each typical floor type at the United Nations Office at Nairobi (new office facilities and blocks M–U and V–X).

16. It was therefore estimated that better utilization could be achieved within the above-mentioned office blocks (with a current capacity of approximately 2,600 workstations) if a fully flexible workplace environment were to be introduced. The

potential increase in utilization capacity has been estimated to be between 3,100 to 3,500 workstations for these blocks. However, given the estimated future requirements of approximately 4,000 workstations (compared with approximately 3,600 workstations at present), there would still be a capacity deficit of between approximately 500 and 900 workstations in these buildings.

17. Even with the introduction of full flexible workplace strategies to all remaining blocks on the campus, a new office building would still be required by 2022 to address the above deficit. Assuming that the new building would also have an improved flexible workplace density of approximately 14 m^2 gross external space per workstation, this would require a new office building of between 7,000 and 12,600 m^2.

18. As detailed in the previous report of the Secretary-General, there are two major known challenges with regard to implementing flexible workplace strategies at the Gigiri complex in Nairobi, namely, (a) the "assumed ownership" of space by existing tenants, i.e., that the United Nations Office at Nairobi would likely face challenges by Secretariat tenants when applying flexible workplace strategies, including by setting target efficiency gains; and (b) the treatment of non-Secretariat tenants, in particular with respect to the investment that would be required by such tenants in information technology equipment and furniture, which is not included in this proposal.

Benefits and refinement of the proposal, including the redesign of the existing publishing services building

19. In order to address the deficiencies highlighted in the condition assessment outlined above, in the previous report of the Secretary-General, several options were considered, and option 2 (new small office buildings and service buildings with flexible workplace strategies) was considered the most viable option for replacing office blocks A–J, offering the highest benefits. With expected project costs totalling $69.88 million, this was the least expensive of the options considered, achieved the best score with regard to inherent implementation risks, also obtained the best score with regard to the expected benefits and addressed in the most cost-effective manner issues regarding sustainable building performance, energy efficiency, the efficient use of office space and the replacement of building systems that will have reached the end of their useful lives. Most importantly, this option would also ensure safety and compliance with all required security, information technology and life-safety standards, to fully address the deficiencies identified through the condition assessment.

20. Following the request by the General Assembly to refine the proposal, the United Nations Office at Nairobi has looked into the option of initiating early works on potential repurposing of the existing publishing services building, including the reuse of printing space as office space and the construction of an additional mezzanine floor to be used also as office space. This could then be used as an alternative new service building to house the data centre, security control room, catering, medical, contractors, security locker rooms, drivers' lounge and logistics facilities. This would be a significant refinement as compared with the original proposal as set out in the previous report of the Secretary-General, whereby a new service building was planned. The refined proposal would eliminate the need for a new service building and eliminate the temporary swing space requirement, as the renovated publishing services building would provide new office space earlier than previously expected, and could therefore be used as swing space to support the conversion to a flexible working environment of all existing office space (blocks M–X and new office facilities) and swing space, once existing office blocks A–J are vacated in preparation for the building of a new office block. An additional advantage of this refined proposal would therefore be the avoidance of abortive work and the acceleration of construction, which would reduce the cost of escalation.

21. The combination of the above leads to a refined project cost of $66.26 million, reflecting a 5.2 per cent reduction, or $3.62 million, compared with the original cost estimate of $69.88 million as contained in the previous report of the Secretary-General. The progress made on this phase of planning works is outlined in section V of the present report, including a revised schedule for completion of the project at the end of 2023. A detailed breakdown of the total estimated costs of the project is provided in annex I to the present report.

III. Project governance

22. The project governance structure was initially proposed in the previous report of the Secretary-General (see A/72/375, annex II), and remains unchanged in the present report. The project owner is the Director-General of the United Nations Office at Nairobi; the Director of the Division of Administrative Services serves as the project executive and is responsible for managing the dedicated project management team and interacting with internal and external stakeholders, along with strategic issues requiring senior-level decision-making.

23. The stakeholders committee, chaired by the project executive, held its first meeting on 10 July 2018, attended by representatives from United Nations Office at Nairobi Support Services, Information and Communication Technology Services, Security and Safety Services, the Division of Conference Services, and the Joint Medical Service; UNEP; and UN-Habitat as major tenant advisers, and the Office of Central Support Services in New York as ex officio adviser.

24. Members of the stakeholders committee acknowledged their individual roles in providing key substantive input towards establishing the scope and design objectives of the project, with emphasis on individual roles in owning and managing certain risk items.

A. Office of Central Support Services

25. The role of the Office of Central Support Services, in line with its role on other global capital projects undertaken by the Organization, was defined in the previous report of the Secretary-General and has remained unchanged during the reporting period.

26. Representatives from the Global Property Management Service of the Office of Central Support Services hold regular bimonthly coordination meetings with the United Nations Office at Nairobi project team, and conducted two missions to Nairobi in 2018. The Service provides oversight of the project and technical guidance and advice to the project team, shares lessons learned from other capital projects and ensures that applicable global property-related policies are adhered to in the activities undertaken by the team. During the reporting period, emphasis was placed by the Office of Central Support Services on the provision of independent risk management services, in line with section XIV of General Assembly resolution 72/262 A.

27. To this effect, the Office of Central Support Services completed the recruitment of an independent risk management firm, a well-established international firm with global construction and other financial experience, to support the Office of Central Support Services in fulfilling its project role. The firm was onboarded as of October 2017 to work on the already approved projects at the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP); hence, it was able to begin work immediately on the United Nations Office at Nairobi project in 2018. An additional benefit to the project, and in line with the

request of the General Assembly to ensure that local knowledge and lessons learned are applied to the project, is that the firm is servicing both the ECA and United Nations Office at Nairobi projects out of its Nairobi office. Detailed information on the activities of the Office of Central Support Services with respect to risk management is provided in section IV of the present report.

B. Dedicated project team

28. Following the approval by the General Assembly of two dedicated project positions (one P-4 Space Planner/Coordinator and one P-3 Structural/Civil Engineer) in its resolution 72/262, the management of the United Nations Office at Nairobi commenced recruitment for these positions in early 2018 and the process is well advanced, as further detailed in paragraph 48 of the present report.

IV. Project accountability

29. In line with established practice for other ongoing projects currently undertaken by the Organization, including the renovation of the Africa Hall at ECA in Addis Ababa and the seismic mitigation retrofit and life-cycle replacements of the Secretariat building at ESCAP in Bangkok, the project will be subject to both internal and external oversight through the Office of Internal Oversight Services and the Board of Auditors, respectively.

Risk management

30. In line with what has become, effective as of 2017, standard practice for ongoing global capital projects, the Office of Central Support Services has, in consultation with the United Nations Office at Nairobi project team, established a risk management strategy for the project. The strategy achieves the following: (a) establishes processes and procedures for the identification and assessment of risks and prioritizes them in accordance with their evaluation; (b) once identified, facilitates planning for the implementation of risk responses that ensure successful delivery of the expected project objectives; and (c) in line with the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 28 of its report on the proposal (A/72/7/Add.28), the strategy enables the Organization to assess and manage a risk-based contingency provision.

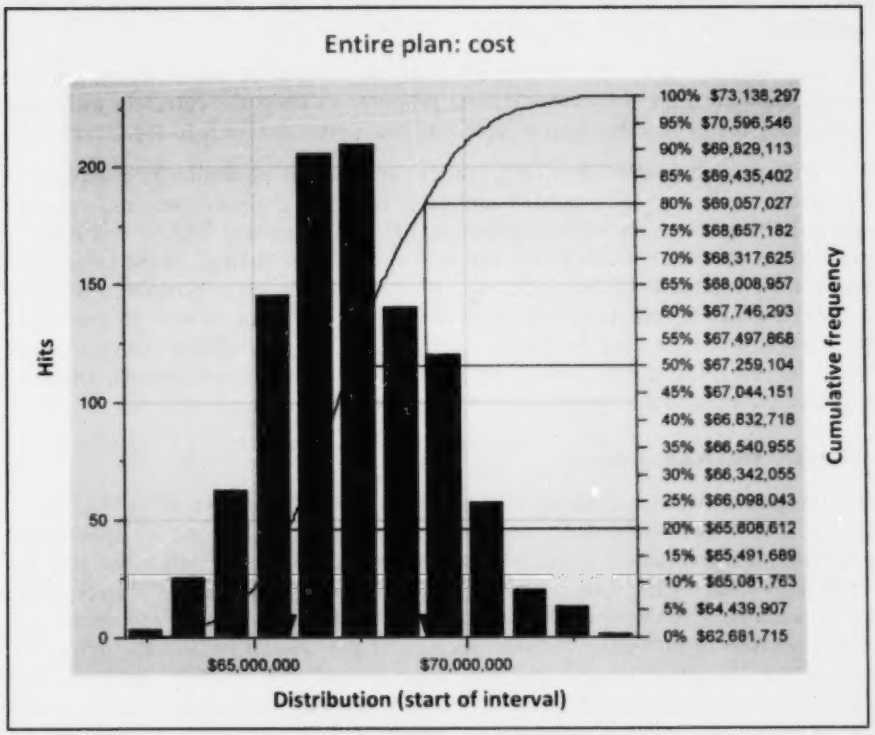
31. In July 2018, a risk workshop was held in Nairobi, facilitated by representatives of the Office of Central Support Services, and attended by the project team, United Nations Office at Nairobi stakeholders and representatives from the independent risk management firm from both its headquarters and Nairobi-based offices. The outcomes/products of the workshop were: the project risk management strategy document, an initial risk register and a quantitative analysis of project risks (Monte Carlo simulation). The independent risk management firm was also to produce two annual reports throughout the project delivery, the first of which was issued in July 2018.

32. The Monte Carlo analysis takes input from the project team, including risk scores — probability and likelihood — of each risk, the most likely range of quantitative effects of each, and simulates approximately 1,000 theoretical versions of the project. The Monte Carlo analysis serves to provide a "snapshot" at the time at which inputs from the project team were provided. The Monte Carlo analysis shows the overall projected effect of known risks on the project, assuming that no further mitigating actions are taken.

33. For the Secretariat's capital construction projects, the P80 confidence-level benchmark has been established as the target for measuring risk for a given project; meaning that the project team would ideally strive to have an 80 per cent confidence level that the project will be completed within budget. A summary of the first Monte Carlo analysis is shown in the form of a cost histogram in figure I.

Figure I

Cost histogram of analysed risks of the project to replace office blocks A–J at the United Nations Office at Nairobi, as at July 2018



34. The Monte Carlo simulation results shown in the cost histogram in figure I indicate that there is a 27 per cent level of confidence that the project will be completed within the estimated budget of $66.26 million. At the present stage of project development, the Secretariat considers the current confidence level to be acceptable. As the project continues in the planning and design phase, it is fully expected that the confidence level will go up, ideally and eventually to meet the Organization's desired P80 confidence level.

35. Given that the overall project scope and implementation strategy has not yet been approved by the General Assembly and that the project is currently in the planning phase, most of the risks given high priority during the reporting period relate to planning and (looking ahead to the next project phase, if approved) design risks. In particular, many risks relate to the need for timely and accurate client requirement specifications to be issued by key stakeholders.

Contingency and escalation

36. The first Monte Carlo risk analysis shows that the current "straight line" contingency funding of approximately 10 per cent applied to construction costs, professional services costs and escalation is not enough to cover the potential costs

of known potential risks to a P80 confidence level, the target of the Organization for global capital projects. This is to be expected at the present early planning stage of the project, in line with industry norms. This is especially relevant for this project, given that the maximum overall cost and implementation strategy of the project have not yet been approved by the General Assembly, and that the design phase of the project has not yet begun. It is not yet possible to accurately quantify most project risks to the degree that available contingency funding should be pegged to the Monte Carlo analysis, given that the vast majority of construction risks are time-dependent. For example, the total project cost escalation as compared with the base year of the cost estimate cannot be quantified if it is not yet known when construction will commence.

37. Accordingly, and also on the basis of the advice of the independent risk management firm, the Secretary-General proposes to keep the currently estimated contingency levels at 10 per cent at least until the project design is further developed.

38. With respect to the 7 per cent annual construction escalation rate applied to construction costs over the proposed applicable five-year project duration, the project team solicited the advice of the independent risk management firm to confirm the assumptions previously made by the project team. The consultant, on the basis of its local knowledge and expertise gained by virtue of being based in Nairobi, confirmed that the rate used is consistent with local industry norms and recommended that that figure continue to be used for the project. Should any significant changes in the market be identified, the rate would be adjusted in future progress reports, although at the present time such changes are not foreseen.

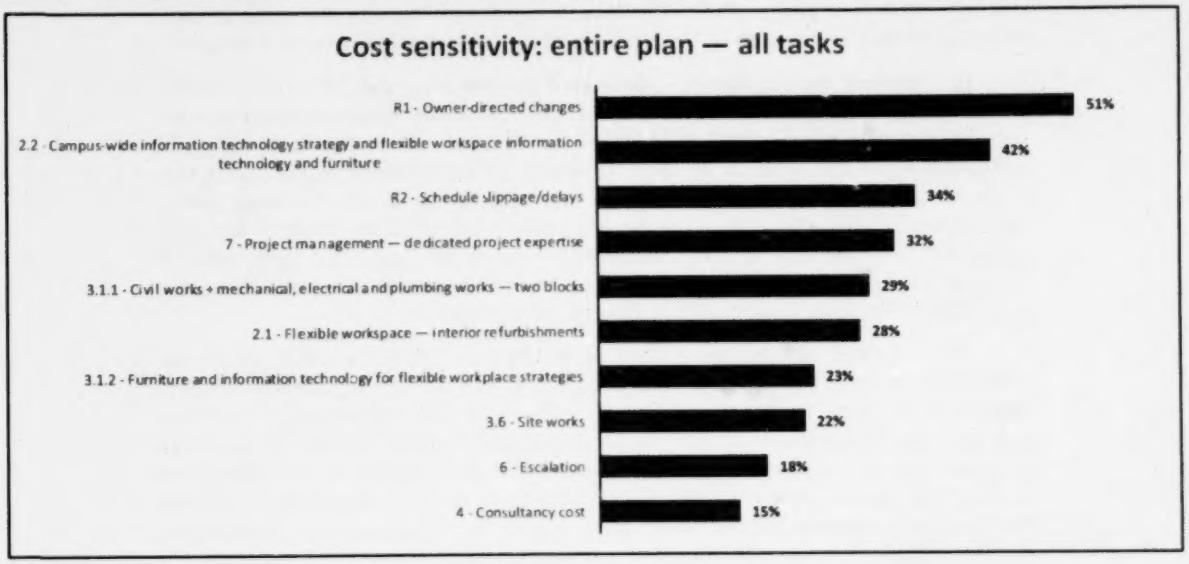
Integrated risk management

39. Integrated risk management will be performed at a local level by the United Nations Office at Nairobi dedicated project management team and its specialized consultants and contractors. Once on board, the Project Manager will coordinate the efforts to be made by all parties involved, in particular the team members, consultants and contractors. Risk owners will be assigned for each risk to monitor and control the implementation of mitigation actions. As part of the regular monitoring activities, such as regular site meetings, the risk situation will be carefully analysed and discussed. The team will hold a specific monthly session to update the register. Risks will be discussed in all meetings with senior management and advisers and be included in all reports. In the meantime, these efforts are being performed through the individuals assigned to the project.

Risk register

40. The project team has developed a risk register in line with the developed project-specific risk management strategy. All risks are given scores, are assigned a risk owner and proposed response(s) are identified. Risks are continuously monitored by the project team to ensure the success of planned mitigation measures and to keep risks under control. In accordance with the risk management strategy, emphasis is placed on the "top 10" risks, to enhance their potential opportunities and mitigate their potential threats to the project objectives and constraints. A summary of the 10 risks with the potentially highest individual cost impact is shown in figure II.

Figure II
Cost sensitivity ("tornado") chart, listing the 10 project risks with the highest cost impact, July 2018


Cost sensitivity: entire plan — all tasks
R1 - Owner-directed changes
51%
2.2 - Campus-wide information technology strategy and flexible workspace information technology and furniture
42%
R2 - Schedule slippage/delays
34%
7 - Project management — dedicated project expertise
32%
3.1.1 - Civil works + mechanical, electrical and plumbing works — two blocks
29%
2.1 - Flexible workspace — interior refurbishments
28%
3.1.2 - Furniture and information technology for flexible workplace strategies
23%
3.6 - Site works
22%
6 - Escalation
18%
4 - Consultancy cost
15%

41. The cost sensitivity chart in figure II shows the correlation or relationship between individual risk entries and the overall estimate at completion amount. The higher the cost sensitivity, the stronger the relationship between the estimate at completion and the individual risk.

Description of the top five project risks and risk mitigation actions

(a) **Owner-directed changes**. Potential for lack of clarity on project scope, especially as it relates to security and information technology-related matters. The risk has three interrelated dimensions: (i) the need to determine clearly the project requirements in line with the project scope; (ii) the need to determine the project boundaries and define which items may be more accurately defined as campus-wide issues and as outside of the project scope (e.g., perimeter vehicular and pedestrian access control physically beyond/outside the project site); and (iii) the need to determine what, if any, changes foreseen in global security and information technology policies may affect the project. The risk will be mitigated by obtaining stakeholder approvals prior to the issuance of contract design documents in order to limit requests for changes at a later time.

(b) **Campus-wide information technology strategy, flexible workspace information technology and furniture**. The United Nations Office at Nairobi houses a large number of tenants from specialized agencies, funds and programmes who have come into the compound gradually and intermittently over time. Currently no campus-wide information technology strategy is applied that governs both Secretariat and non-Secretariat entities. The same risk applies to both campus-wide infrastructure and individual equipment. This risk is considered time-sensitive, because the early works include the design of a new data centre. The risk will be mitigated by obtaining stakeholder/tenant confirmation through the development of a common campus-wide strategy and to seek buy-in from tenants early in the design process.

(c) **Schedule slippage/delays**. Given the total size/number of existing office floors affected by the project, including both the demolition of the existing blocks A–J and the renovation of the remaining office blocks throughout the campus, the total

number of staff moves — some "double" moves in and out of swing space and some single moves directly from existing to permanent locations — presents a significant risk for schedule slippage. The risk will be mitigated by limiting the scope of each move to a manageable size and by exercising tight control over the move schedule.

(d) **Project management — dedicated project expertise**. This risk relates to the lack of specialized technical input within the dedicated project management team with respect to matters related to physical security and information technology. In addition to a risk identified by the United Nations Office at Nairobi stakeholders, this is also a recent lesson learned from other capital projects, in which change orders have emerged after the project briefs were completed, entailing changes and new requirements related to security and information technology. The team aims to mitigate this risk by augmenting the project management resources with specialist consultants, similar to what has been done in other projects.

(e) **Change management**. The new layout of facilities will entail the implementation of flexible workplace strategies. Given the new layout and complex logistics, change management will be critical to the success of the project and is a risk that requires close oversight. In order to mitigate this risk, the project team has solicited technical support from the Headquarters flexible workplace strategies team in New York, and has front-loaded the dedicated space planner resource to administer the change management process. At this early stage in the planning process, and because the risk is difficult to quantify, this risk is being treated as a qualitative risk only.

V. Progress made on the project during the reporting period

A. Cooperation with Member States and the host country

42. As detailed in the previous report of the Secretary-General, the Government of Kenya made a significant donation of 140 acres of land in the mid-1970s, and, subsequently, Member States have made substantial investments in buildings, security and other infrastructure at the Gigiri complex. In addition, the Government of Kenya has made a significant investment in the Gigiri area, including major road upgrades, introducing traffic light technology and slip lanes to reduce congestion and cycle/pedestrian lanes to improve safety, in support of all United Nations entities. In its resolution 44/211, the General Assembly called upon all organizations of the United Nations system, inter alia, to make the necessary arrangements for the implementation of the United Nations common house concept for establishing common premises at the country level. The United Nations Office at Nairobi has been working in line with this concept since early 2000, and the most recent construction project of the new office facilities (completed in 2010) further established the Gigiri common premises.

43. The host country has provided for significant support arrangements for the United Nations operations in Kenya and specifically for the United Nations Gigiri offices. In addition to the generous donations of land by the Government of Kenya outlined above, a host country agreement was established in March 1975, providing for privileges and immunities, including duty exemption for contracts and material importations for entitled staff, but also for official purposes such as construction materials, equipment and infrastructure. This support by the host country would be extended to any construction project, leading to reduced overall cost and expedited importation arrangements through the established host country liaison arrangements.

B. Procurement activities

44. Planned procurement activities for 2018 included the tender for specialized architectural consultancy services for office space design, space planning and change management services related to the implementation of flexible workplace strategies in 2019. In addition, given the refined proposal to repurpose the publishing services building, consultancy services needed to be procured for both costing and design for these early works.

45. An expression of interest was launched for flexible workplace strategies in June 2018, and an expression of interest is being prepared and launched for the early work of repurposing the publishing building in August 2018. The preparation of tender documentation for architectural design services for the repurposing of the publishing building is under way, and will be completed during the third quarter of 2018, with the tender for these services scheduled for the fourth quarter of 2018.

46. Direct guidance and technical assistance was provided by the Office of Central Support Services, based on the flexible workplace strategies implemented in the Secretariat Building in New York, taking into account all lessons learned and experience gained from the Secretariat flexible workplace project, with specific focus on design layouts, furniture and information technology. Based on this, the United Nations Office at Nairobi team has been able to fast-track the preparation of the tender documentation for the flexible workspace design.

47. A tender for quantity surveying services was issued in May 2018 and a quantity surveying consultant contracted in July 2018 to work on all costing associated with the refined proposal included in the present report, including the repurposing of the publishing services building and the rescheduling of the project as a result of this refinement, including the elimination of temporary swing space, thereby avoiding abortive work, and accelerating the construction, which reduces the cost of escalation. In addition, given the specialized nature of the security and information technology requirements (a security control room and an information technology data centre), temporary specialist consultancy services focused on both security and information technology design requirements will be contracted during 2018.

C. Planning and design activities

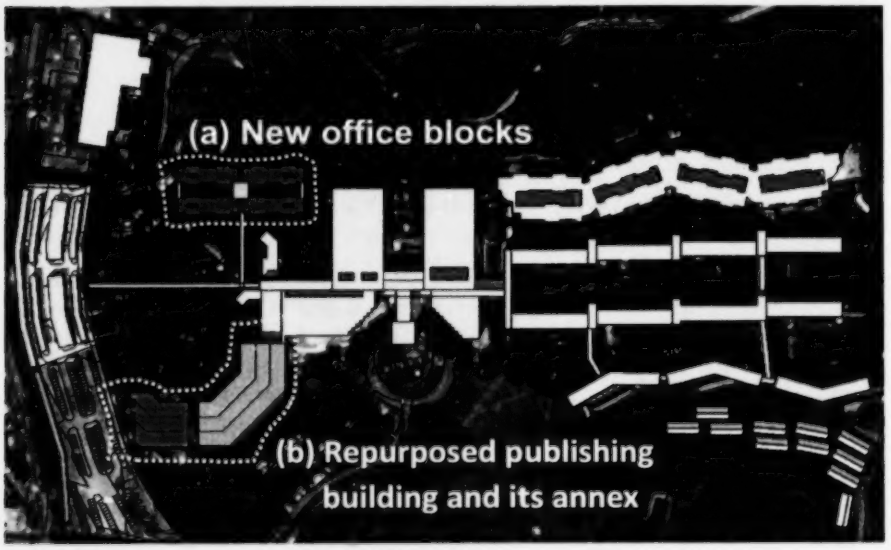
48. Recruitment is well advanced for the two positions approved by the General Assembly for 2018, namely, one Space Planner/Coordinator (P-4) and one Architect/Engineer (P-3). The job opening for the Space Planner/Coordinator position was launched on 4 April 2018, with a closing date of 3 May 2018. Applications were reviewed and assessed in June 2018 and interviews were conducted; onboarding is forecast for September 2018. The job opening for the Architect/Engineer position was launched on 28 March 2018, with a closing date of 26 April 2018. Assessment of applicants is ongoing, and final interviews are expected to be concluded by early August 2018 for submission to the central review body.

49. Recruitment of an architectural consultant commenced in June 2018, and the consultant was hired on 10 July 2018, initially for a three-month period. Recruitment of specialist information technology and security consultants is in progress and is expected to be completed by the end of September 2018.

D. Refined implementation strategy

50. As outlined in paragraph 19, following a request by the General Assembly to refine the proposal, the United Nations Office at Nairobi has initiated preparatory activities for early works on repurposing of the existing publishing services building, including the reuse of printing space as office space, and construction of an additional mezzanine floor to be used as additional office space. An illustration of the refined implementation strategy, which foregoes temporary swing space, is shown in figure III.

Figure III
Partial site plan, showing the refined implementation strategy



Note:
(a) The proposed new office blocks on the current location of office blocks A–J;
(b) The current publishing services building, which will be repurposed as a service building and office space and the location of an additional annex to be built next to the current publishing building, also to be used as new service building space.

51. The current printing building is approximately 2,500 m^2 and includes office space for the Publishing Services team, production floor space for printing and production equipment and large warehouse and storage facilities for printing materials. Parts of this building are currently underutilized for the following reasons. Firstly, large storage facilities are no longer required following improvements over the last few years in material service contracts and the reduced delivery time for high bulk printing supplies such as paper and inks. Secondly, several large pieces of printing equipment will be disposed of in the coming 12 months, releasing areas of the production floor space. Thirdly, the demand for printed documents from United Nations Office at Nairobi clients has followed the industry trend in recent years, and reduced print runs and print on demand for parliamentary documentation and publications are now the norm. Conventional process-intensive printing is not adapted to the flexibility required by these clients nor is it cost-effective. The Office's Publishing Services Section is aiming to align itself with the technological shift towards digital printing to satisfy current and future demand in the most cost-efficient way.

52. A combination of the above factors means that the United Nations Office at Nairobi would be able to repurpose the publishing services building to better

accommodate a digitally upgraded publishing facility, which would require a much smaller footprint. At least half of the building could be repurposed and converted to other service uses and as additional office space. Given the design features of the existing publishing building, with a double-height ceiling, it is also feasible to construct a lightweight steel-structured mezzanine to further expand the available office space. With the addition of a small annex to this building, it is estimated that up to 5,000 m^2 of office space and service areas could be made available for use during the project.

53. A structural assessment of the building has been conducted to confirm that the above refined proposal would be feasible. In addition, an initial design and costing has been conducted, based on the refurbishment works that would be required in order to convert the existing publishing services building.

54. This refined proposal could therefore be considered as a viable alternative to the construction of a new service building as proposed in the previous report of the Secretary-General. It would be able to house the data centre, security control room, catering, medical, contractors, security locker rooms, drivers' lounge and logistics facilities. The refined proposal would eliminate the need for a new service building and the construction of temporary swing space, which is required to temporarily accommodate tenants as all remaining office blocks (M–X and new office facilities) are renovated and converted to flexible working arrangements. In addition, swing space is also required to accommodate the current tenants of office blocks A–J once the existing blocks are demolished and the new office building is being constructed. The swing space requirement could also be accommodated through the refined proposal without the need to construct any additional temporary swing space facilities.

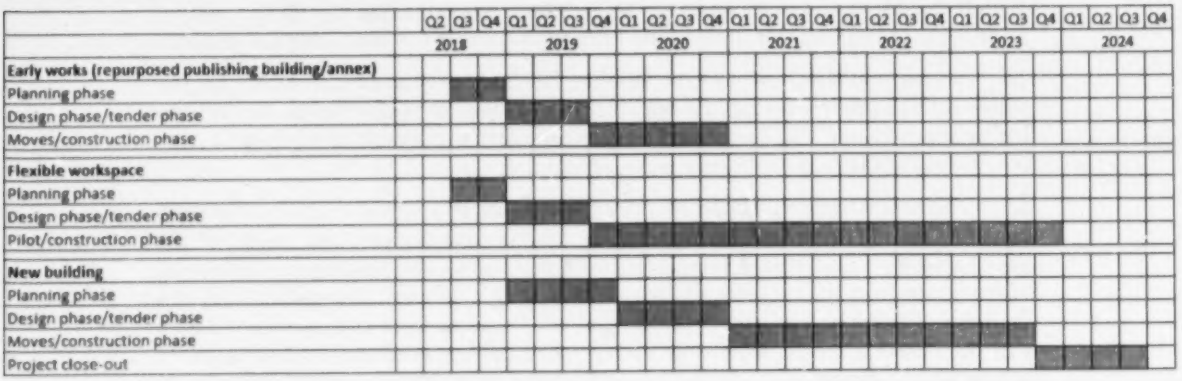
55. The advantage of the refined proposal would be an overall saving to the project through the avoidance of temporary work (that would offer no benefit to the Organization beyond the life of the project), the acceleration of construction works and the roll-out of flexible workspace strategies to existing office space, which would reduce the cost of escalation for the project. The baseline year for calculation of the escalation costs in the refined proposal is now 2018.

E. Project schedule updates

56. A detailed schedule for the refined proposal is shown in figure IV. The proposed early works on the repurposed publishing building would be designed in detail during 2019, following the hiring of an architectural design consultant in early 2019. Construction on this phase of the project would start in the fourth quarter of 2019 and would be completed by the fourth quarter of 2020. The works could be done in phases, one floor at a time, allowing for at least half the space to be used as swing space from as early as the fourth quarter of 2019 (existing tenants would need to be moved to this temporary swing space to allow for the flexible workspace renovations to proceed), to support the conversion of existing office space (office blocks M–X and new office facilities) to flexible workspace arrangements. A total of 56 existing office floors need to be renovated, so this work is scheduled to start in the fourth quarter of 2019, with a pilot project, and to be completed by the end of 2023. Once the construction works on the repurposed publishing building are completed in the fourth quarter of 2020, swing space will be available to accommodate half the tenants of office blocks A–J (specifically, those in office blocks B, C, E and J), which would need to be demolished by early 2021 to allow construction of the new building to commence at the same location. Construction of the new building is scheduled to start in the third quarter of 2021 and to be completed by the fourth quarter of 2022 (total contract schedule of 18 months). In 2023, the remaining office blocks A–J (namely, A, D, F, G, H and I) would also be demolished, and all remaining tenants moved into the newly

constructed office building. Finally, in 2023, supporting infrastructure (e.g., parking and roads) would be built and project close-out activities would be scheduled.

Figure IV
Project schedule



F. Potential use of rental income to reduce Member State assessment for project financing

57. The policy currently in place concerning rental charges is based on General Assembly resolution 41/213, by which the Assembly mandated the Secretary-General to implement the recommendations of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, including recommendation 36 on rental charges, contained in the Group's report (A/41/49). Consistent with that policy, the rental charges for space occupied by tenants at the United Nations premises are based on current commercial rates. The United Nations Office at Nairobi conducts regular rental studies in Nairobi to confirm current commercial rental rates, and its rental rates are charged consistently in line with the result of the studies. The most recent study was conducted in 2017, when a rate of $185 per square metre per annum was determined, starting in 2018.

58. The current project proposal would not lead to a significant increase in overall net rentable areas, as the new proposed building is similar in size to the existing space being replaced in office blocks A–J. The current rental billings amount to about $5.5 million per year. If a nominal annual rental inflation rate of 2 per cent is assumed between 2019–2023, then annual rental incomes would be just over $6 million by 2024, when all available space would be rentable.

59. The above does not yet fully take into account potential changes in rental practices given the implementation of flexible workplace strategies, as the ultimate solution for flexible workplace strategies and the space configuration is not yet known. In addition, it should be noted that the Office of Central Support Services is currently leading a working group on global rental practices, with a view to ensuring consistent policies and practice, taking into account not only the impact of the implementation of flexible workplace strategies but also relevant guidance from the General Assembly and other global policies and practices.

60. Any updates to the local policy of the United Nations Office at Nairobi emanating from the outcomes of this working group and on the further development of flexible workplace strategies, which may affect the overall rental income that could be applied to reduce Member State's assessment for the project, would be included in future progress reports of the Secretary-General on the project.

VI. Project expenditures and anticipated costs

A. Status of expenditure and projected expenditures for 2018

61. The General Assembly appropriated an amount of $503,400 to initiate the project in 2018. The funding comprises (a) $165,400 under section 29H, United Nations Office at Nairobi, for two temporary project positions (one P-4 Space Planner/Coordinator and one P-3 Structural/Civil Engineer); and (b) $338,000 under section 33, Construction, alteration, improvement and major maintenance, to proceed with the design works and independent risk management services.

62. The status of expenditure as at 30 June 2018 and the projected expenditure until end of the year are provided in table 1.

Table 1
Status of expenditures as at 30 June 2018 and projection for the remainder of 2018
(Thousands of United States dollars)

	Appropriated project funding for the period 2018	*Expenditure from 1 January to 30 June 2018*	*Projected expenditures from 1 July to 31 December 2018*	*Total projected expenditures for 2018*	*Projected unused balance at the end of 2018*
	(a)	*(b)*	*(c)*	*(d) = (b) + (c)*	*(e) = (a)-(d)*
Section 33, Construction, alteration, improvement and major maintenance					
1. Construction costs	–	–	–	–	–
2. Professional services	316.0	29.6	151.2	180.8	135.2
3. Escalation	22.0	–	–	–	22.0
4. Contingency	–	–	–	–	–
Subtotal, section 33	**338.0**	**29.6**	**151.2**	**180.8**	**157.2**
Section 29H, United Nations Office at Nairobi					
5. Project management	165.4	17.8	146.7	164.5	1.0
Total	**503.4**	**47.4**	**297.9**	**345.3**	**158.1**

63. Funds in the amount of $29,600 under section 33 have been currently utilized as at 30 June 2018 for design services related to the early works and repurposing the publishing building, as well as flexible workspace design. It is projected that another $151,200 would be utilized by the end of 2018 for these services.

64. Given project staff recruitment times, no staffing costs expenditures have been incurred as at 30 June 2018; however, an amount of $17,800 was incurred for travel costs related to the Office of Central Support Services for the provision of technical guidance and advice and for the facilitation of the risk management kick-off workshop in February and July 2018, respectively. It is projected that the remaining amount of $146,700 will be utilized by the end of 2018 for staffing costs, after the project staff come on board.

65. Against the approved funding of $503,400 in 2018, there is projected to be an amount of $158,100 unspent at the end of 2018 owing to the deferral of activities to 2019.

B. Resource requirements for 2019

66. The resource requirements for 2019 are shown in table 2. The total projected expenditure for 2019 amounts to $6,892,200, comprising:

(a) $766,500 under section 29H, United Nations Office at Nairobi, for the project management team. This would provide for the continuation of the two existing project team positions (1 P-4 and 1 P-3), six new project positions (1 P-5, 1 P-3, 2 National Officer and 2 Local level) proposed to be established as of 1 January 2019, and 75 per cent of the cost of one Project Coordinator (P-3) at Headquarters, cost-shared with the North Building renovation project at the Economic Commission for Latin America and the Caribbean (ECLAC) and proposed to be established effective 1 January 2019;

(b) $5,986,600 under section 33, Construction, alteration, improvement and major maintenance, which includes construction costs of $3,415,900 which will cover the early works package to repurpose the publishing services building ($3,172,100) and to complete a flexible workplace pilot project ($243,700). In addition, $1,789,600 would provide for professional services for the design works associated with the repurposing of the publishing services building and the design and tender efforts for the full renovation towards flexible workplace for the existing office blocks M–X and new office facilities and also for independent risk management services provided through the Office of Central Support Services and for other professional services. Additionally, shown separately from the base costs, are the escalation provision of $239,100 and contingency provision of $542,000.

Table 2
Resource requirements in 2019
(Thousands of United States dollars)

	Projected expenditures in 2019	*Projected unused balance at the end of 2018*	*Net funding requirement in 2019*
	(a)	*(b)*	*(c) = (a)-(b)*
Section 33, Construction, alteration, improvement and major maintenance			
1. Construction costs	3 415.9	–	3 415.9
2. Professional services	1 789.6	135.2	1 654.4
3. Escalation	239.1	22.0	217.1
4. Contingency	542.0	–	542.0
Subtotal, section 33	**5 986.6**	**157.2**	**5 829.4**
Section 29H, United Nations Office at Nairobi			
5. Project management	766.5	1.0	765.5
Total	**6 753.1**	**158.1**	**6 595.0**

67. Taking into account the projected unspent balance of $158,100 at the end of 2018, the net funding requirements in 2019 would amount to $6,595,000, comprising: (a) $765,500 under section 29H, United Nations Office at Nairobi; and (b) $5,829,400 under section 33, Construction, alteration, improvement and major maintenance.

VII. Next steps

68. Upon approval by the General Assembly, the following activities would be undertaken in 2019:

(a) Complete the recruitment of the dedicated project management team, including the Project Manager (P-5); one Procurement Officer (P-3); one Project Coordinator (P-3), to be located within the Global Property Management Service in New York and cost-shared with the ECLAC North Building project; one Logistics/Coordination Officer (National Officer); one Project Services/Mechanical-Electric-Plumbing Engineer (National Officer); one Clerk of Works (Local level); and one Administrative Assistant (Local level). Please refer to annex II for detailed descriptions of the roles of these proposed positions;

(b) Continue regular stakeholders' committee meetings; establish a change management and corporate support group; establish an administrative and coordination agreement with the Global Properties Management Service; and make other administrative arrangements;

(c) Following the scheduled award of the contract in late 2018, commence specialized architectural consultancy services for the early works, namely, the renovation of the publishing building;

(d) Following the scheduled award of the contract in late 2018, commence specialized architectural consultancy services for office space design, space planning and change management services related to the implementation of flexible workplace strategies;

(e) Prepare tender documents for architectural consultancy services for the design of the new scalable office building(s);

(f) Commence construction of a flexible workplace pilot project;

(g) Continue to refine the overall cost estimate for the project, following the outcomes of the flexible workplace pilot in 2019;

(h) Continue to develop and refine options for additional rental income with the aim of reducing Member State assessment for the project;

(i) Continue independent risk management services, including the preparation of two progress reports each year and an annual Monte Carlo risk analysis;

(j) Coordinate with the host country regarding host country arrangements.

VIII. Recommended actions to be taken by the General Assembly

69. The General Assembly is requested to:

(a) **Approve the proposed scope, maximum overall cost of the project and implementation strategy for the replacement of office blocks A–J at the United Nations Office at Nairobi;**

(b) **Approve the establishment of six positions (1 P-5, 1 P-3, 2 National Officer and 2 Local level) relating to the dedicated project management team and project support staff in Nairobi, and one position (P-3) in New York to provide project coordination, to be based in the Global Property Management Service at Headquarters and cost-shared with the project for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean;**

(c) Appropriate an amount of $6,595,000, comprising: (i) $765,500 under section 29H, United Nations Office at Nairobi, and (ii) $5,829,400 under section 33, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2018–2019, which would represent a charge against the contingency fund;

(d) Approve the establishment of a multi-year construction-in-progress account for the project.

Annex I

Revised cost plan

(Thousands of United States dollars)

	2018	2019	2020	2021	2022	2023	2024	Total
Section 33, Construction, alteration, improvement and major maintenance								
1. Construction costs								
1.1 Early works/repurposed publishing building	–	3 172.1	7 359.2	–	–	–	–	10 531.3
1.2 Flexible workspace	–	243.7	1 580.2	1 546.5	3 326.7	4 591.4	–	11 288.4
1.3 New office building	–	–	–	9 970.3	6 727.5	1 382.6	–	18 080.3
2. Professional services								
2.1 Early works/repurposed publishing building design works	47.3	884.6	331.8	–	–	–	–	1 263.8
2.2 Flexible workspace design works	56.1	880.5	88.0	88.0	119.2	122.7	–	1 354.6
2.3 New office building design works	–	–	1 265.6	162.7	217.0	162.7	–	1 808.0
2.4 Risk management	36.4	14.5	12.7	14.5	14.5	10.3	–	102.9
2.5 Other services	41.0	10.0	10.0	–	–	–	–	61.0
3. Escalation	–	239.1	1 295.3	2 591.8	3 124.8	2 404.8	–	9 655.8
4. Contingency	–	542.0	1 192.0	1 435.9	1 351.5	866.4	–	5 387.9
Subtotal, section 33	**180.8**	**5 986.6**	**13 134.9**	**15 809.7**	**14 881.1**	**9 540.9**	**–**	**59 534.0**
Section 29H, United Nations Office at Nairobi								
5. Project management								
5.1 Dedicated project management and support	146.7	682.4	1 058.6	1 083.0	1 108.3	949.6	332.5	5 361.0
5.2 Dedicated coordinator at Headquarters (75 per cent of costs)	–	64.1	113.3	113.3	113.3	–	–	404.0
5.3 Travel of project management team	17.8	20.0	15.0	15.0	10.0	10.0	–	87.8
Subtotal, section 29H	**164.5**	**766.5**	**1 186.9**	**1 211.3**	**1 231.6**	**959.6**	**332.5**	**5 852.8**
Section 34, Safety and security								
6. Security requirements		–	225.1	234.5	244.2	169.5	–	873.3
Subtotal, section 34	**–**	**–**	**225.1**	**234.5**	**244.2**	**169.5**	**–**	**873.3**
Total	**345.3**	**6 753.1**	**14 546.9**	**17 255.4**	**16 356.9**	**10 670.0**	**332.5**	**66 260.1**

Annex II

Roles of the project positions proposed to be established effective 1 January 2019

Dedicated project management team

Project Manager (P-5): The incumbent has overall responsibility for the successful initiation, planning, design, execution, monitoring, control and closure of the project. The Project Manager will oversee the whole project and be the key person responsible for managing the day-to-day aspects of the project in accordance with the applicable standards. The responsibilities of the Project Manager include: planning and defining scopes; activity planning and sequencing; resource planning; developing schedules; managing risks and issues; cost control; risk analysis; documentation; monitoring and reporting on progress; team leadership; ensuring liaison between affected parties; and quality assurance and control. The Project Manager would have overall technical and administrative responsibility and accountability, reporting to the project executive, the Director of the Division of Administration of the United Nations Office at Nairobi and the Chief, Central Support Services of the United Nations Office at Nairobi. The incumbent would prepare project reports, recommend solutions to unusual project problems and provide expert technical advice on overall policies, procedures and guidelines pertinent to the project. The incumbent will also be responsible for ensuring ongoing dialogue and coordination with the facilities management sections with regard to materials, equipment selection and construction methods to ensure ease of operation and maintenance of the completed works.

Project Services/Mechanical-Electrical-Plumbing Engineer (National Officer): Reporting to the Project Manager, the incumbent is responsible for all technical issues with regard to the mechanical, electrical and plumbing and public health engineering aspects of the overall project, including communication lines, telephones and information and communications technology networks; energy supply, including electricity and renewable sources; escalators and lifts; fire detection and protection; heating, ventilation and air conditioning; lightning protection; low-voltage systems, distribution boards and switchgear; natural lighting and artificial lighting; security and alarm systems; and water, drainage and plumbing. The officer will be responsible for monitoring, analysing and responding to the construction contractors' reports once on board and will assist in monitoring and evaluating change-order proposals as pertaining to mechanical and electrical components of the project.

Logistics and Coordination Officer (National Officer): The incumbent is responsible for planning, oversight and management of the temporary on-site swing space accommodation and movement of United Nations staff, tenants and service providers to such facilities in line with the project schedule. The officer will be tasked with ensuring that disruptions caused by the overall project have a minimal effect on the organization's outputs and as such will be tasked with coordination of the information and communications technology services, including relocation to swing space and return to the new flexible workplace environments. As part of the construction work, the officer will also be expected to coordinate with relevant parties to ensure timely import, receipt and inspection of all equipment, goods and materials for incorporation into the works.

Clerk of Works (Local level): The incumbent is responsible for direct monitoring of the various contractors, construction sites and surroundings, inspection of all materials incorporated into the project for quality, adherence to the specifications and compliance with appropriate building regulations, monitoring of the inspection of the workmanship and practices of contractors and crews engaged in the construction, including safety at the construction sites insofar as execution of the construction work

is concerned, and monitoring of progress of work, including construction work schedules, to check that progress is maintained. The officer will also be responsible for the drafting of punch lists and will assist the Project Manager with ongoing monitoring and bringing the project to a close, which may include project reports and evaluation documents.

Project Administrative Assistant (Local level): The incumbent will report directly to the Project Manager and will be primarily responsible for preparing analysis and business reports as they apply to administrative budgetary finance requirements in compliance with the Financial Regulations and Rules of the United Nations, International Public Sector Accounting Standards (IPSAS) and Umoja requirements. Additionally, the incumbent will perform a range of essential tasks in the project office, including documentation control; drafting correspondence and reports; distributing meeting agendas and recording meetings; responding to enquiries from project stakeholders; assisting the project team in other administrative tasks as needed; and undertaking other duties such as account reporting, account monitoring control and general administrative functions.

Dedicated project support

Procurement Officer (P-3): Reporting to the Chief, Procurement Section, as part of change management and corporate support group and with indirect reporting to the Project Manager, the incumbent will be responsible for coordination, management and oversight of several large-scale international procurement actions required to address all the components of the project. The incumbent will be responsible for the oversight, preparation, and finalization of all these tenders and contractual documents, contracts administration, background research and vetting process of the general contractor and numerous subcontractors and communication with legal teams both at the United Nations Office at Nairobi and at Headquarters. It is proposed that the Procurement Officer be recruited in 2019, in parallel with the additional dedicated project team members, and will be essential in forwarding all the procurement actions required for the success of the renovation, including contract management, through construction.

Project Coordinator (P-3): In order to provide the level of oversight responsibility assigned to the Office of Central Support Services by the General Assembly in its resolution 72/262 A, including the provision of independent risk management services, it is proposed that a Project Coordinator (P-3) be established from 1 January 2019 until 31 December 2022, to be cost-shared with the proposed project for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago. This position would be based in the Global Property Management Service in the Office of Central Support Services at Headquarters. The incumbent of this position would provide day-to-day oversight, guidance and technical support to the United Nations Office at Nairobi project manager (and the ECLAC project manager as well), under the guidance of the Chief, Global Property Management Services. Emphasis would be placed on contract management of the independent management firm, which would report directly to the Global Property Management Service in order to ensure its independent and external role, complementing the work of the dedicated project management team and facilitating the team's risk identification and assessment activities, including the development of mitigation strategies. It is proposed that the project for the replacement of office blocks A–J will contribute 75 per cent of the cost of this position, while the other 25 per cent of cost will be funded from the proposed project for the renovation of the North Building at ECLAC, given the magnitude of work and value of construction involved in both projects.

United Nations A/73/345

General Assembly

Distr.: General
27 August 2018

Original: English

Seventy-third session
Item 20 (b) of the provisional agenda*
Sustainable development: Follow-up to and implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States

Assessment resulting from the evolving mandates of the small island developing States units of the Secretariat

Report of the Secretary-General**

Summary

The present report has been prepared pursuant to General Assembly resolution 72/217, in which the Assembly requested the Secretary-General to submit at its seventy-third session, on an exceptional basis, without setting a precedent and within existing resources, a transparent and clearly substantiated needs assessment resulting from the evolving mandates of the relevant programmes and subprogrammes of the Secretariat and to ensure the allocation of the resources required to adequately respond to the mandates in support of the sustainable development agenda of the small island developing States.

* A/73/150.

** The present report was submitted after the deadline so as to include the most recent information.

18-14052 (E) 170918

Please recycle

I. Introduction

1. Guided by its commitment to strengthen United Nations support for the sustainable development of small island developing States, including in the context of the implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway, the General Assembly, in its resolution 69/217, requested the Joint Inspection Unit (JIU) to make recommendations in order to facilitate the determining of the parameters for a comprehensive review of United Nations system support for small island developing States. In response, JIU issued a first report in March 2015 (JIU/REP/2015/2), in which it highlighted 10 key findings and 6 recommendations on the parameters of a comprehensive review of United Nations system support for small island developing States. Principal among those findings was the recognition of a mismatch between the limited resources allocated to and the growing mandates of the units focused on small island developing States of the Department of Economic and Social Affairs and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. JIU recognized that the limited number of staff in those two units did not allow for the fulfilment of expanding mandates and, therefore, recommended that the General Assembly ensure that a comprehensive review be conducted to evaluate the current allocation of resources, as well as their effective and efficient use, at the Headquarters of the United Nations Secretariat, with a view to improving governance and effective coordination in the delivery of the mandates given by the General Assembly to the Department of Economic and Social Affairs and the Office of the High Representative to support small island developing States.

2. Echoing its first report, in its 2016 report on the subject (JIU/REP/2016/3), JIU noted that "the workload of both Units increased overtime without a commensurate increase in their resources. It is advisable that ... Member States enhance resources to the SIDS Units so as to better equip them to respond to the increased workload", and recommended that "the General Assembly, based on a transparent and clearly substantiated needs assessment prepared by the United Nations Secretariat, should consider the needs resulting from the evolving mandates given to the Secretariat's programmes and subprogrammes and ensure the allocation of resources required to adequately respond to the mandates in support of the sustainable development agenda of SIDS".

3. Taking note of the findings and recommendations of the JIU review of United Nations support for small island developing States, the General Assembly, in its resolution 72/217, requested the Secretary-General to submit a transparent and clearly substantiated needs assessment resulting from the evolving mandates of the relevant programmes and subprogrammes of the Secretariat and to ensure that the resources required were adequately allocated to respond to the mandates in support of the sustainable development agenda of the small island developing States.

4. The present report is submitted pursuant to Assembly resolution 72/217. Section II reviews and identifies the Secretariat's[1] expanded mandates, work programme and activities. Section III examines the allocation of resources. Section IV identifies gaps and needs. Section V summarizes the findings and sets forth recommendations on the way forward.

[1] The "Secretariat" in this context refers to the units focused on small island developing States in the Department of Economic and Social Affairs and in the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

II. Expanded mandates

A. Establishment of the Small Island Developing States Unit in the Department of Economic and Social Affairs

5. In 1994, in the outcome document of the first global conference on small island developing States,[2] States Members of the United Nations observed that "it is essential for the follow-up to the Conference and the implementation of the Programme of Action that a clearly identifiable, qualified and competent entity within the Department for Policy Coordination and Sustainable Development of the United Nations Secretariat be put in place to provide secretariat support for both intergovernmental and inter-agency coordination mechanisms". To that end, and in response to the above, the Assembly requested the Secretary-General to establish such an entity within the then Department for Policy Coordination and Sustainable Development.[3]

6. In 1995, the Secretary-General reported and confirmed the establishment of such an entity.[4] In 1996, the Assembly underscored the importance of maintaining the Small Island Developing States Unit within the Department for Policy Coordination and Sustainable Development and repeated its request to the Secretary-General to maintain the Unit at an appropriate level of staffing and to improve the structure and organization of the Unit, in accordance with resolution 49/122.[5] In 1997, the restructured Small Island Developing States Unit was made part of the Division for Sustainable Development in the then newly renamed Department of Economic and Social Affairs.[6] This initiative was subsequently reported to, noted and welcomed by the Assembly.[7] The Unit has since remained a "clearly identifiable, qualified and competent entity" within the Department of Economic and Social Affairs, reporting directly to the Director[8] of the now renamed Division for Sustainable Development Goals.

B. Mandates of the Small Island Developing States Unit of the Department of Economic and Social Affairs

7. In the outcome document of the first global conference, Member States recommended the creation of an entity that would fulfil the following functions:[9]

(a) Provide substantive secretariat support for intergovernmental and inter-agency processes related to the monitoring, review and coordination of the implementation of the Programme of Action;

(b) Act as a liaison and focal point for Governments, organs, programmes and agencies of the United Nations system, as well as other relevant intergovernmental and non-governmental organizations, on matters related to the follow-up to the Conference and the implementation of the Programme of Action;

---

[2] A/CONF.167/9, A/CONF.167/9/Corr.1 and A/CONF.167/9/Corr.2.

[3] See General Assembly resolution 49/122, para. 15.

[4] See A/50/422, para. 5.

[5] See Assembly resolution 51/183, para. 2.

[6] See A/52/319, para. 20.

[7] See Assembly resolution 52/202, para. 2.

[8] With the exception of a brief period from 2016 to 2017, when the Unit reported to the Director of the Division for Sustainable Development Goals through then Chief of the SIDS, Oceans and Climate Branch.

[9] See A/CONF.167/9, para. 123.

(c) Prepare reports to be submitted to the Commission on Sustainable Development, and other relevant bodies, on the implementation of the Programme of Action, drawing on the inputs from all appropriate sources;

(d) Provide support, as appropriate, to other activities emanating from the Programme of Action.

8. In addition to the above-mentioned core functions and the additional tasks prescribed by the Programme of Action for the Sustainable Development of Small Island Developing States (Barbados Programme of Action),[10] in subsequent years, the General Assembly, through additional requests, expanded the responsibilities of the Secretariat, including the monitoring of and reporting on additional specified priority areas with respect to small island developing States, which require further focused attention. The Assembly has also repeatedly requested the Secretariat to report on the implementation of its annual resolutions.

9. Table 1 below provides an indication of the additional responsibilities that have been conferred upon the Secretariat by the Assembly in the years following the adoption of the Barbados Programme of Action.[11] Of the 37 additional mandates indicated, 13 are ongoing.

Table 1

	Additional mandates		
Year	*Document*	*Number of additional mandates*	*Status*
1994 (Barbados Programme of Action)	A/CONF.167/9 (paras. 118, 119, 128 and 135)	5	Completed
1995–1999	Resolution 50/116 (paras. 9, 10 and 12)	3	Completed
	Resolution 51/183 (paras. 11 and 14)	2	
	Resolution 52/202 (para. 7)	1	
	Resolution 53/189A (paras. 12 and 14)	2	
	Resolution 54/224 (para. 2)	1	
1998	Resolution S-22/2, enclosure[a]	1	Ongoing
2000–2004	Resolution 58/213 (paras. 17, 22 and 23)	3	Completed
2005 (Mauritius Strategy)[b]	A/CONF.207/11 (paras. 101 and 102)	2	Ongoing
2005–2009	Resolution 64/199 (paras. 6 and 7)	2	Completed
2010–2014	Resolution 65/2 (paras. 32 and 33)	2	Competed
	Resolution 65/156 (paras. 2 and 12)	2	
	Resolution 67/207 (para. 11)	1	
	Resolution 68/238 (para. 12)	1	
	Resolution 69/217 (para. 18)[c]	1	Ongoing
2014 (Samoa Pathway)	Resolution 69/15 (paras. 101 and 119)	2	Ongoing

[10] See A/CONF.167/9, paras. 118, 119, 120, 128 and 135.

[11] Does not include repeated requests such as the annual production of reports of the Secretary-General.

Additional mandates			
Year	*Document*	*Number of additional mandates*	*Status*
2015–present	Resolution 70/202 (paras. 11 (a–c), 14 and 15)[d]	5	Ongoing
	Resolution 72/217 (para. 30)[e]	1	
Total		**37**	
Completed		**24**	
Ongoing		**13**	

[a] In paragraph 1 of the enclosure to Assembly resolution S-22/2, entitled "State of progress and initiatives for the future implementation of the Programme of Action for the Sustainable Development of Small Island Developing States", the Assembly identified the following areas for priority action, including the means for their implementation, as requiring further focused attention: climate change, including climate variability and sea level rise; natural disasters; freshwater resources; coastal and marine resources; energy; and tourism.

[b] In the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, the following additional priority areas for small island developing States were identified: graduation from least developed country status; trade; sustainable production and consumption; health; knowledge management; and culture.

[c] The Assembly added the monitoring of the Samoa Pathway to the work of the Secretariat.

[d] The Assembly added the mandates of supporting the Steering Committee on Partnerships for Small Island Developing States, support for the high-level political forum for sustainable development and the linkage of the Sustainable Development Goals to the development agendas for small island developing States.

[e] The Assembly requested reporting on initiatives to strengthen coordination between the Department of Economic and Social Affairs and the Office of the High Representative.

C. Mandates of the Small Island Developing States Unit of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

Original mandates

10. The General Assembly, in its resolution 56/227, established the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, with the objective of ensuring the effective implementation of the programmes of action for least developed countries, landlocked developing countries and small island developing States.

11. The General Assembly, by its resolutions 57/262 and 58/213, called upon the Office of the High Representative to support the preparatory process for and the organization of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. In addition to the mandate with respect to advocacy and the mobilization of international support and resources, the High Represent itive was also designated the Secretary-General of the International Meeting, held in Port Louis in January 2005.

12. In the outcome document of the International Meeting, known as the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (see A/CONF.207/11 and A/CONF.207/11/Corr.1), the Secretary-General was requested to ensure that the Office of the High Representative continued to mobilize international support and resources for the further implementation of the Barbados Programme of Action, in accordance with its mandate.

New and expanded mandates

13. Over the years, the small island developing States mandate of the Office of the High Representative has grown and been shaped by the outcomes of major United Nations conferences on small island developing States and General Assembly resolutions.

14. The SIDS Accelerated Modalities of Action (SAMOA) Pathway (Assembly resolution 69/15, annex), which was adopted at the third International Conference on Small Island Developing States, held in September 2014, further reflected growing expectations on the part of Member States with respect to the Secretariat's work on small island developing States. In paragraph 120 of the Samoa Pathway, the original mandate of the Office of the High Representative was expanded, pursuant its advocacy mandate, to include the mainstreaming of the Samoa Pathway and issues related to small island developing States into the work of the United Nations system, and the enhancement of the coherence of small island developing States issues in United Nations processes, including at the national, regional and global levels.

15. Furthermore, since 2015, the workload of the Office of the High Representative has increased substantially with the requirements to strengthen linkages between the implementation of the Samoa Pathway and that of other global frameworks, including the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the third International Conference on Financing for Development, the 20-year review of the implementation of the Beijing Declaration and Platform for Action, the Sendai Framework for Disaster Risk Reduction 2015–2030, the Paris Agreement, the New Urban Agenda and other key priority areas for small island developing States.

16. The General Assembly, in its resolution 70/202, urged that effective linkages be made between the follow-up and review arrangements for the 2030 Agenda for Sustainable Development and those of all relevant United Nations conferences and processes, including the Samoa Pathway. As the custodians in the Secretariat of the global follow-up and review arrangements regarding small island developing States, the small island developing States units of the Department of Economic and Social Affairs and the Office of the High Representative are expected to provide substantive backstopping support in that regard. This was recognized by the Committee for Programme and Coordination, when it mandated the Office of the High Representative to build effective linkages between the follow-up and review arrangements for the 2030 Agenda for Sustainable Development, the Programme of Action for the Least Developed Countries for the Decade 2011–2020, the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, and the Samoa Pathway.

17. The General Assembly, in its resolution 70/202, requested the Department of Economic and Social Affairs and the Office of the High Representative to support the work of the Steering Committee on Partnerships for Small Island Developing States in facilitating the Small Island Developing States Partnership Framework, in accordance with the Samoa Pathway. By the same resolution, the Assembly decided that the Steering Committee was to meet on a regular basis, to support the follow-up of existing and promote and advocate the launch of new small island developing States partnerships, and requested the Secretariat, in consultation with the Steering Committee, to organize a global multi-stakeholder partnership dialogue on an annual basis.

18. Furthermore, the General Assembly, in its resolution 72/217, called upon the two small island developing States units to continue to enhance the analytical and advocacy support for the work of the Steering Committee. By the same resolution, the General Assembly also reaffirmed the importance and progress made as part of

the initiative led by the Office of the High Representative to launch the Small Island Developing States Global Business Network, and the need for its continued coherence with the Small Island Developing States Partnership Framework.

19. By its resolutions 71/225 and 72/217, the General Assembly also decided to convene a high-level review of the implementation of the Samoa Pathway, and that the Department of Economic and Social Affairs and the Office of the High Representative should organize, facilitate and provide the necessary support for the review process, including the convening of preparatory meetings of small island developing States in their respective regions, as well as an interregional meeting for all small island developing States.

20. After growing in scope and complexity, the original mandate of the Office of the High Representative — which covers aspects of advocacy pertaining to awareness-raising and consensus-building on small island developing States issues, along with resource mobilization — has now been expanded to four additional permanent workstreams. Those additional workstreams include: mainstreaming the Samoa Pathway and issues relating to small island developing States into the work of the United Nations system; enhancing the coherence of small island developing States issues in United Nations processes at the national, regional and global levels; building linkages between the 2030 Agenda and the Samoa Pathway; and partnerships.

D. Work programme of the Small Island Developing States Unit of the Department of Economic and Social Affairs (2016–2017)

21. Since its establishment, the work programme of the Small Island Developing States Unit of the Department of Economic and Social Affairs has been guided by two primary considerations, namely, the implementation of its core and additional mandates, and the overall alignment of the Unit with the core functions of the Division for Sustainable Development Goals. The latter ensures the equitable allocation of resources to the Unit to enable it to carry out its ever-expanding mandates. For the years 2016 and 2017, the Division focused on five core functions: (a) support for intergovernmental processes on sustainable development; (b) analysis and policy development; (c) capacity development at the country level; (d) inter-agency coordination; and (e) knowledge management, communication and outreach.[12] The Unit's work programme for that period was tailored to ensure the implementation of its core and additional mandates and to mirror the Division's core functions.

22. In implementing its work programmes, the Small Island Developing States Unit also utilizes the resources and expertise available in other branches and divisions of the Department of Economic and Social Affairs. In 2016, JIU highlighted the percentage of time allocated to the work of the Unit by other branches of the Division as follows:[13]

Table 2

Level	*Branch*	*Time allocation to small island developing States issues (percentage)*
D-2	Director of Division	10
D-1	SIDS, Ocean and Climate Branch	20
P-5	Intergovernmental Support and Inter-agency Branch	5

[12] See JIU/REP/2016/3, para. 14.

[13] Ibid., para. 26.

Level	*Branch*	*Time allocation to small island developing States issues (percentage)*
P-5	Outreach and Communication Branch	5
P-4	Outreach and Communication Branch	33

23. However, despite the provision of extra intradivisional support, the three Professional-level staff members in the Unit have all indicated that they have had to use additional time outside normal working hours in order to fully meet their deliverables, in particular to provide Secretariat support and to prepare mandated parliamentary documentation, including with regard to monitoring progress made in implementing the sustainable development priorities of small island developing States.

24. The full staff complement of the Small Island Developing States Unit was attained in January 2017 following the recruitment of the current Chief of Unit at the P-5 level. The assessment in the present section of the Unit's work programme and the impact of staffing on overall implementation covers the years 2016 and 2017. The work programme of the Unit for 2017 is presented in table 3 below.[14]

Table 3

Work Programme of the Small Island Developing States Unit, 2017

Output 1	**Support to United Nations intergovernmental processes**	**Responsibility (number of staff at each level)**
	United Nations Conference to Support the Implementation of Sustainable Development Goal 14	
1.1	Conference support	P-5 (1), P-4 (1), P-2 (1), General Service (2)
1.2	Organization of and support for an expert group meeting on oceans for small island developing States (Jeju, Republic of Korea)	P-5 (1), General Service (1)
	High-level political forum for sustainable development	
1.3	Organization of and support for a formal session on small island developing States	P-4 (1), P-3 (1)
1.4	Organization of and support for a small island developing States initiative (with cooperation with the Permanent Mission of Singapore) — side event in the margin of high-level political forum	P-5 (1), P-4 (1), General Service (1)
	Support to legislative and resolution processes in the General Assembly	
1.5	Parliamentary documentation: Report of the Secretary-General on the implementation of the Samoa Pathway	P-5 (1), P-4 (1), P-2 (1)
1.6	Preparation and Secretariat support to the negotiation of the annual Assembly resolution on the implementation of the Samoa Pathway	P-4 (1), P-2 (1)
1.7	Support for BBNJ and ocean and sea issues	P-5 (1)

[14] For further information on the work programme of the Unit and an analysis of the Unit's work output, please see https://sidsnetwork.org/work-program/.

	Secretariat services	
1.8	Internal correspondence: drafting of third party notes, statements, briefing papers, talking points and background notes	P-5 (1), P-4 (1)
Output 2	**Capacity-building initiatives and support for voluntary national reviews**	
	Support for the voluntary national review process	
2.1	Support for Belize and Maldives	P-5 (1), P-4 (1)
	Capacity development account projects	
2.2	**Vulnerability-resilience country profile project** National training workshops: Guinea-Bissau, Saint Lucia and Seychelles	P-4 (1), P-2 (1), General Service (1)
	Technical advisory services	
2.3	**Vulnerability-resilience country profile project** Provision for technical advisory services to Barbados, Cabo Verde, Guinea-Bissau, Jamaica, Sao Tome and Principe, Saint Lucia and Seychelles	P-4 (1)
2.4	Technical advisory assistance and support for the presidency of Fiji of the twenty-third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change	P-5 (1)
	Regional workshops (vulnerability-resilience country profile project)	
2.5	Regional workshop for small island developing States of the Atlantic and Indian Oceans and the Mediterranean and South China Seas	P-4 (1)
2.6	Regional workshop for the Caribbean	P-4 (1)
Output 3	**Inter-agency coordination and thematic issues coordination**	
3.1	Chair of the Inter-agency Consultative Group on Small Island Developing States (held on a rotating basis with the Office of the High Representative)	P-5 (1)
3.2	United Nations coordination on oceans issues	P-5 (1)
3.3	Coordination by the Food and Agriculture Organization of the United Nations of the Global Action Programme on Food Security and Nutrition in Small Island Developing States	P-4 (1), P-2 (1)
3.4	Climate change:	
	• Side event at the twenty-third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change	P-5 (1)
	• Breakfast event during the high-level segment of the seventy-second session of the General Assembly	P-5 (1), P-4 (1), P-2 (1), General Service (2)
3.5	Disaster risk reduction — small island developing States side event: participation in the Global Platform for Disaster Risk Reduction	P-5 (1)
Output 4	**Stakeholder engagement and small island developing State partnerships**	
4.1	Engagement with:	P-5 (1), P-4 (1)
	• Alliance of Small Island States	

	• Pacific small island developing States	
	• Caribbean small island developing States	
	• Small island developing States of the Atlantic and Indian Oceans and the Mediterranean and South China Seas	
4.2	Secretariat support for the Steering Committee on Partnerships for Small Island Developing States:	P-5 (1), P-4 (1)
	• Official and ambassadorial meetings	
	• Global multi-stakeholder small island developing States partnership dialogue	
Output 5	**Communication and outreach**	
5.1	Quarterly publication: "The Cowrie: SIDS Times Magazine"	P-2 (1), General Service (1)
5.2	Updates to and maintenance of the small island developing States network website	General Service (1)
5.3	Digital, social media and liaison with the information technology support services of the Division for Sustainable Development Goals	General Service (1)

E. Programme of work of the Small Island Developing States Unit of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (2016–2017)

25. The workload of the Small Island Developing States Unit of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States increased significantly over the biennium 2016–2017 owing to the additional mandates articulated above. Despite no subsequent increase in resources, the Small Island Developing States Unit continued to deliver on its original mandate, which encompasses advocacy pertaining to awareness-raising, consensus-building and resource mobilization, and initiated activities pertaining to additional mandates the Unit had been entrusted with, in particular mainstreaming the Samoa Pathway and issues related to small island developing States into the work of the United Nations system; enhancing the coherence of such issues in United Nations processes at the national, regional and global levels; and partnerships. While the Unit has taken some initial steps in implementing the above-mentioned additional responsibilities, significant gaps remain in covering the full extent of the expanded mandates.

Advocacy pertaining to awareness-raising and consensus-building

26. In relation to the implementation of its advocacy mandate, the Small Island Developing States Unit of the Office of the High Representative has generated a series of targeted background documents, briefing notes, booklets and think pieces to serve as advocacy tools, and utilized various platforms to disseminate information to various stakeholders at the national, regional and global levels. In addition, the Unit

convened and participated in 20 events specific to small island developing States in pursuit of its advocacy mandate over the biennium 2016–2017.

27. In addition, as part of its advocacy efforts, in October 2016, the Office of the High Representative facilitated a dialogue between the permanent missions of small island developing States to the United Nations and the International Monetary Fund (IMF). The dialogue was centred on IMF work in promoting resilience-building in small States, in particular with respect to natural disasters and climate change.

28. Furthermore, the Unit also used the convening power of the High Representative to lend voice to the concerns and needs of small island developing States on the global stage, including in regional and global conferences such as the twenty-second and twenty-third sessions of the Conference of the Parties to the United Nations Framework Convention on Climate Change, the Belt and Road Forum for International Cooperation, the World Urban Forum, the Global Platform for Disaster Risk Reduction, the United Nations Conference to Support the Implementation of Sustainable Development Goal 14, and the World Forum on Local Economic Development. Whenever needed, the High Representative has issued think pieces, articles and op-eds, by which she has further sensitized the global community regarding what is at stake for small island developing States and called for action. As a member of the Senior Management Group, the Sustainable Energy for All Advisory Board, UN-Oceans, the Executive Committee on Economic and Social Affairs and the Broadband Commission for Sustainable Development, the High Representative advocates for the interests of small island developing States and other vulnerable countries in those forums. The High Representative, as one of the four champions for national adaptation plans under the United Nations Framework Convention on Climate Change and one of the two global champions for statistical development under the Partnership in Statistics for Development in the 21st Century, has also highlighted the peculiar challenges and needs of small island developing States in those areas.

Mobilization of international support and resources for the implementation of the Samoa Pathway

29. Through active engagement with a number of development partners and other major stakeholders, the Small Island Developing States Unit of the Office of the High Representative has supported resource mobilization for the implementation of critical parts of the Samoa Pathway and for Unit activities that benefit small island developing States.

30. The Office of the High Representative is now a full-fledged participant in the World Bank Group-organized Small States Forum. The Forum has established itself as an important platform for advocacy, sharing best practices and exploring new solutions, all in support of a more coherent international response to the special development challenges of small States, most of which are small island developing States. The Office also contributed to Forum events held in the margins of the World Bank Group's Annual Meetings in 2016 and its Spring Meetings in 2017. In the context of the Small States Forum, the Office has been included in the World Bank Group-led working group that is discussing the potential design of vulnerability metrics that could serve as criteria for the allocation of concessional financing. The membership of the Office in that working group attests to its increasing credibility and visibility and its growing recognition as the voice of small island developing States.

31. With respect to resource mobilization to fund activities that benefit small island developing States, one such example is the joint efforts of the two small Island Developing States units to mobilize extrabudgetary resources to fund preparations for the midterm review of the Samoa Pathway, for which no regular resources have been

provided. Those resources will ensure the participation of small island developing States representatives in the preparatory meetings and in the one-day high-level meeting, along with covering other related costs.

32. Also, the Small Island Developing States Unit of the Office of the High Representative has raised extrabudgetary resources to enable the Office to fund other critical activities of the Unit, including regional meetings of the Small Island Developing States Global Business Network, the participation of representatives of small island developing States from the Pacific in the Asia-Pacific meeting of the Broadband Commission for Sustainable Development held in Vanuatu in October 2017, visits by the Bureau of the Alliance of Small Island States (together with a number of small island developing States) to Washington for dialogue with the Bretton Woods institutions and retreats for permanent representatives of small island developing States.

Mainstreaming of the Samoa Pathway and issues related to small island developing States

33. The Office of the High Representative took preliminary steps in carrying out this additional mandate by, inter alia, assuming the role of co-convener of the Inter-agency Consultative Group on Small Island Developing States. Comprising representatives of the United Nations and other international organizations, the Group is expected to help to monitor support extended by its members to the implementation of the Samoa Pathway. The Group could also be used to mount and deliver coordinated and coherent United Nations support for sustainable development in small island developing States.

Ensuring coherence of small island developing States issues in United Nations processes at the national, regional and global levels

34. The most significant undertaking for the Office of the High Representative in response to this additional mandate has been the establishment of a national focal points mechanism. The proposal to establish a network of national focal points in small island developing States originated in a workshop on the theme "Enhancing the coherence of small island developing States issues in United Nations processes post-Samoa Pathway", held in New York in November 2015. It was later conceptualized in one of the recommendations of the internal audit report on the Office of the High Representative issued by the Office of Internal Oversight Services (OIOS). The national focal points network is expected to act as a vital link across the global and national levels and to facilitate coordination, information-sharing and planning of Samoa Pathway implementation.

Forging partnerships

35. Following the Private Sector Partnership Forum, held in Apia in 2014, the Small Island Developing States Unit of the Office of the High Representative successfully mobilized resources to begin a project entitled "Support to the Small Island Developing States Global Business Network (SIDS-GBN) and website". The main objective of the project has been to support the Small Island Developing States Global Business Network in transitioning into a fully operational phase during which it will gain high-profile visibility and add value to the private sector in small island developing States.

36. In March 2016, the Office of the High Representative partnered with the Netherlands and Aruba to convene the Aruba Public-Private Partnerships Conference. Over the course of three days, the Conference focused on the role of public-private partnerships in promoting sustainable growth in small island developing States. The Small Island Developing States Global Business Network was launched at that event.

37. An independent evaluation of a project of the Small Island Developing States Global Business Network that was completed in July 2018 indicated some 50 concrete partnerships had been developed. Those partnerships have all been featured on the Network's website. In the evaluation report, it was also underscored that the Network had added significant value to the knowledge of and awareness among United Nations partner agencies, and led to their acknowledgement of the relevance of addressing the broad and emerging concepts such as sustainable development, cross-sector partnerships, shared value and collaborative capacities, which provided for rich and deep discussions and learning among members of the Network. Recommendations were also set out in the evaluation report with respect to the project's continuation to a second phase, for which extrabudgetary resources would need to be mobilized.

38. The partnerships between the Office of the High Representative and other stakeholders, including the United Nations system, the World Bank Group, the Organization for Economic Cooperation and Development, the World Trade Organization (WTO), and regional banks have also strengthened markedly. For instance, outreach efforts to the Development Assistance Committee on development effectiveness, to WTO on trade issues, and to regional banks and organizations on transport issues have all contributed to the greater reflection of the priorities and concerns of small island developing States in their respective deliberations.

III. Allocation of resources

A. Small Island Developing States Unit of the Department of Economic and Social Affairs

Human resources

39. At its inception, the staff of the Small Island Developing States Unit of the Department of Economic and Social Affairs consisted of two established posts: (a) the Chief of Unit (P-5); and (b) a Sustainable Development Officer (P-4). The Secretariat has since taken measures to strengthen the Unit through the deployment of additional established posts: (a) an Associate Sustainable Development Officer (P-2); (b) a Website Assistant (G-6); and (c) a General Service staff member (G-5) (see A/62/945, para. 12). A Sustainable Development Officer (P-4) position was requested in the context of the programme budget for the biennium 2008–2009 (see Assembly resolution 58/213, para. 13). In addition, extrabudgetary resources were secured with the support of the Government of Greece to provide for an Interregional Adviser (L-4) for a period of one year (see A/62/945, para. 12). An Associate Expert was later assigned to the Unit for two years, with the support of the Government of Italy, in 2008 (see ibid.). The current staff configuration of the Unit remains at five, with three staff members at the Professional-level (one each at the P-5, P-4, P-2 levels) and two staff members in the General Service category (one each at the G-6 and G-4 levels). The Unit continues to benefit from its interaction with the Division for Sustainable Development Goals.

Budgetary allocation

40. In successive resolutions, the General Assembly has repeatedly called upon the Secretary-General to provide the Small Island Development States Unit in the Department for Economic and Social Affairs with adequate, stable and predictable funding to facilitate the full and effective implementation of its mandates in accordance with the priority accorded to it and in view of the demand for its services, in particular with respect to the provision of assistance and support for small island developing States (see table 4 below).

Table 4

Year	*Assembly resolution*	*Paragraph(s)*
1995	50/116	9
1996	51/183	2
1997	52/202	9
2000	55/202	9
2001	56/198	8
2003	58/213	24
2004	59/229	7
2005	60/194	7
2006	61/196	7
2007	62/191	7
2008	63/213	14, 15
2009	64/199	20, 21
2010	65/156	8
2014	69/15, annex	119

41. During the biennium 2016–2017, a sum of $18,291,300, reflecting a decrease of $2,589,100, was allotted to the Division for Sustainable Development Goals, with $17,390,000 for posts and $901,300 for non-post requirements, including other staff costs, consultants, experts, travel of staff, contractual services, supplies and materials and furniture and equipment. The decrease in post resources resulted from the abolishment of one P-5 post, in line with Assembly resolution 69/264, which was offset in part by the establishment of one P-4 post in the Small Island Developing States Unit for the implementation of the Samoa Pathway. The decrease in non-post resources reflected: (a) the removal of non-recurrent requirements related to the implementation of the outcome of the United Nations Conference on Sustainable Development and the support for the third International Conference on Small Island Developing States, pursuant to Assembly resolutions 66/288 and 67/207, respectively; and (b) further reductions in staff travel expenses that took into account the impact of the standards of accommodation for air travel, in line with Assembly resolution 69/274A.

42. During the same period, extrabudgetary resources of $1,565,000 were used: (a) to support the participation of representatives of developing countries and countries with economies in transition in a range of meetings related to sustainable development and intergovernmental meetings; (b) to support analytical and technical cooperation work programmes related to energy and water; and (c) to support activities relating to the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation), including the Samoa Pathway among others. The funding for the Unit's capacity-building and vulnerability-resilience projects has been exhausted, thereby risking the non-continuance of those initiatives.

43. In 2016, JIU conducted a thorough assessment of the level of resources allocated by the Secretariat over a seven-biennium period (2006–2017) and concluded that

"resources have remained stable over a period in which the mandates have significantly expanded through successive resolutions resulting in additional tasks" (see JIU/REP/2016/3, para. 23).

B. Small Island Developing States Unit of the Office of the High Representative

Human Resources

44. The initial staff allocation in 2006 for the Small Island Developing States Unit of the Office of the High Representative covered only one staff member at the P-2 level. An additional P-4 post was approved in 2010. Over the past several years, the operational capacity of the Small Island Developing States Unit has been strengthened through non-recurrent provisions, in order to ensure the timely delivery on the Office's responsibilities in line with its expanding mandates. For the biennium 2014–2015, resources from the general temporary assistance budget were used against a P-3 post (currently discontinued) to support the preparations for and the holding of the third International Conference on Small Island Developing States, in Samoa.[15] No extrabudgetary funding for Professional-level staff posts was available during the period, despite the expanded mandate resulting from the Samoa Pathway (see resolution 69/15, annex, para. 120). While the Office of the High Representative had anticipated that commensurate regular resources would be allocated to cover the additional tasks, there has been no such increase. In contrast, an analysis of budget documents has revealed that, after the fourth United Nations Conference on the Least Developed Countries, held in Istanbul in May 2011, the mandate of the Office of the High Representative was expanded to service the needs of the least developed country special category, and eight Professional-level staff posts were created (three P-5, three P-4 and two P-3 posts), along with one General Service post. No increase in resources has been approved following the third International Conference on Small Island Developing States for the small island developing State units of either the Office of the High Representative or in the Department of Economic and Social Affairs.

Budgetary allocation

45. For the Small Island Developing States Unit of the Office of the High Representative, the provision of resources allocated to staff costs (at the P-4 and P-2 levels) account for more than 95 per cent of its total regular budget resources. The resources that are available for programmatic work — including expert group meetings and travel to attend major regional and global meetings relevant to small island developing States — have been marginal, accounting for less than 5 per cent. Because of very limited resources available for programmatic work, the Unit has relied heavily on extrabudgetary resources to deliver on its mandate. Without sufficient resources earmarked for work relating to small island developing States, the Office of the High Representative has used unearmarked resources from its general trust fund to narrow the funding gap and to support its activities and projects related to small island developing States. However, the level of funds available has proved to be insufficient to cover the increasing level of activities. The Office of the High Representative has also received support from one Government to fund the travel of private-sector representatives to attend the Private Sector Partnerships Forum, held in Samoa in 2014. The heavy reliance on extrabudgetary resources, which prove to be volatile, poses a risk for the delivery of planned activities.

[15] See JIU/REP/2016/3. Based on information provided by the Secretariat in February 2016.

IV. Assessment of gaps and needs

A. Small Island Developing States Unit of the Department of Economic and Social Affairs

46. All current staff members of the Small Island Developing States Unit of the Department of Economic and Social Affairs assumed their roles after the adoption of the Samoa Pathway. The additional mandates highlighted above became part of their inherited undertakings and, accordingly, they have been tailoring the work programme of the Unit to meet those increased demands.

47. Through an analysis of the Unit's mandates and of the alignment of its work programme, outputs and deliverables, it was established that there were aspects of the pre-existing and newly added mandates that were not being met sufficiently by the Unit, a situation that was directly attributable to the inadequate and insufficient provision of resources. With adequate resources, the Unit could further enhance its work in the areas of research, technical analysis and monitoring the mainstreaming of the Sustainable Development Goals and the Samoa Pathway, as well as strengthen its support for small island developing States partnerships and its inter-agency collaboration. Meeting those needs, however, requires greater engagement with stakeholders at the national, regional and global levels, which cannot be handled effectively with the current resource allocation and staff complement. During the analysis, it was also established that additional work and increased resources were required in order for the Unit to adequately and meaningfully contribute to the overall efforts of the Division for Sustainable Development Goals in the area of policy development.

48. In relation to the Unit's additional responsibilities in supporting the high-level political forum and ensuring effective linkages between the follow-up and review arrangements for the 2030 Agenda, the Division for Sustainable Development Goals is now focused on supporting Member States in preparing their voluntary national reviews along with building capacity for integrated planning and policy design, and on establishing links to national planning processes in key sectors, as appropriate. The increased provision of resources would allow the Unit to contribute effectively to the Division's efforts to inform intergovernmental bodies regarding the relevance and impact of its normative and analytical efforts at the national, regional and global levels. It would also allow the Unit to enhance its efforts to build the capacity of small island developing States with respect to preparing voluntary national reviews, including through workshops and seminars.

49. In terms of expertise, the capacity of the Unit needs to be further enhanced in the areas of analytical research, project management, policy development and planning. The allocation of additional resources would bridge the gaps that currently exist and would contribute to the further enhancement of the Unit's delivery on its core and additional mandates in supporting the sustainable development of small island developing States.

B. Small Island Developing States Unit of the Office of the High Representative

50. Contrasting the scope of the initial and additional mandates of the Small Island Developing States Unit of the Office of the High Representative with its resources, in particular given that it has only two staff members and very few resources that are allocated for non-post purposes, it is clear that it is under-resourced. Indeed, even as the Unit was tasked with additional responsibilities after 2014, its resources began to

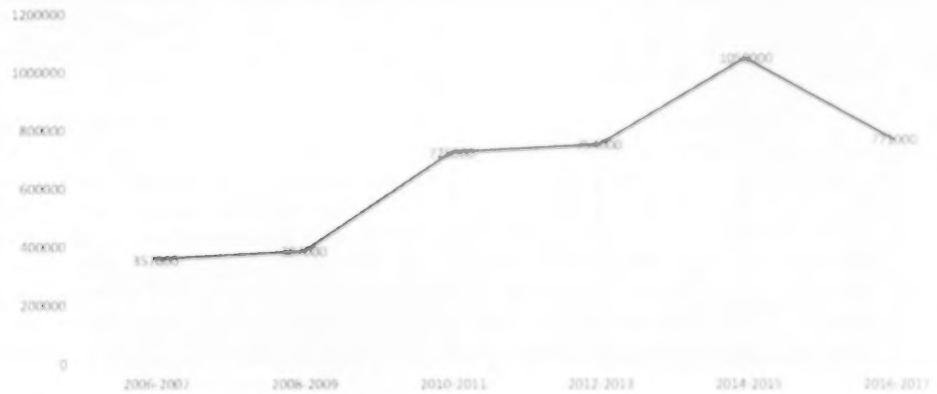
decline (see figure I). To ease the mismatch between expanded mandates and declining or, at best, stagnant resources, and to ensure the fulfilment of its mandate, the Office of the High Representative had to rely on the temporary reassignment of resources from other parts of the Office to the Small Island Developing States Unit and the use of the general temporary assistance resources, even though such arrangements are not sustainable in the long term. While those temporary internal arrangements enabled the Unit to carry its initial mandated functions of awareness-raising, consensus-building and resource mobilization and to initiate some activities related to the additional mandates in relation to small island developing States, the net gains resulting from those arrangements have been far less than what is required of the Unit to adequately carry out the additional mandates conferred upon it by Member States.

51. As a consequence, gaps remain in doing the following: (a) mainstreaming the Samoa Pathway and issues related to small island developing States into the work of the United Nations system; (b) enhancing the coherence of small island developing States issues at the national, regional and global levels; (c) building linkages between the 2030 Agenda and the Samoa Pathway; and (d) forging strong partnerships.

Figure

Cost of staff in the Professional and higher categories in the Small Island Developing States Unit of the Office of the High Representative: regular budget (2006–2015) and approved budget (2016–2017)

(United States dollars)



C. Mainstreaming the Samoa Pathway and issues related to small island developing States into the work of the United Nations system

52. The Office of the High Representative has initiated a number of activities in response to the mandate pertaining to mainstreaming issues related to small island developing States into the work of the United Nations system. Some steps have been taken to strengthen the Inter-agency Consultative Group on Small Island Developing States, including the adoption of the Group's terms of reference. Meetings of the Group have also been convened more periodically, with the two small island developing States units alternating the chairing of those meetings and fulfilling their complementary functions.

53. As a central platform for strengthening cooperation and coordination regarding activities related to small island developing States within the United Nations system and beyond, the Inter-agency Consultative Group on Small Island Developing States

needs to be further strengthened and should be institutionalized. Doing so would require convening additional meetings at both the principal and working levels, as well as in the margins of high-level meetings, in order to raise the profile of the Group, and having a more targeted approach to particular areas of support. It also implies using the Group as a platform to design and stage coordinated and coherent United Nations support for sustainable development in small island developing States. On a logistical level, the strengthening of the Group also demands that new organizational tools, including online tools, be created and maintained in order to facilitate continued engagement.

54. Engagement with other United Nations entities has been strong. The Office of the High Representative has organized joint events and maintained good interaction with United Nations system entities, including at the senior level. However, the support of the Office for the participation of small island developing States in the deliberations of the governing bodies of United Nations agencies has been lacking, owing to limited resources.

D. Coherence of small island developing States issues at the national, regional and global levels

55. An analysis of the Samoa Pathway determined that 65 United Nations processes were either explicitly mentioned in the Pathway or were implied by actions that were called for therein.[16] Achieving coherence at the national, regional and global levels requires adopting institutional innovations, in particular establishing national focal points in small island developing States, and leveraging existing or reformed frameworks, including through the creation of strong linkages with the revigorated resident coordinator system and with prominent regional and global actors.

56. While the process of designating national focal points in small island developing States has begun, with the identification of focal points ongoing and the corresponding action plan having been finalized, the network of national focal points has not yet been operationalized, owing to a lack of dedicated resources to fund and service the activities of the network. The Small Island Developing States Unit of the Office of the High Representative will need to organize and support the annual meetings of the network along with ad hoc regional meetings. It will also need to support the participation of the focal points in other regional and international meetings related to small island developing States with respect to the range of priority areas under the Samoa Pathway and the Sustainable Development Goals.

It is important to note that the first annual meeting of national focal points of small island developing States was scheduled to be held in the margins of the high-level political forum on sustainable development in July 2018. However, owing to the heavy reliance on extrabudgetary resources, and the inability to mobilize the necessary funding in time, that initiative, which is vital for the delivery of the mandate on strengthening coherence, had to be postponed indefinitely. There is a critical need to bridge such gaps in a more predictable and sustainable manner.

[16] Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, "Report of the expert group meeting on enhancing the coherence of SIDS issues in UN processes post SAMOA Pathway and in the context of the 2030 Sustainable Development Agenda". Available at http://unohrlls.org/custom-content/uploads/2016/07/Report_EGM_Coherence-of-SIDS-Issues-in-UNProcesses.pdf.

57. The engagement of the Office of the High Representative with United Nations resident coordinators and country teams has been minimal because of limited resources. Instances of collaboration include a letter jointly issued by the Office and the United Nations Development Programme following the adoption of the Samoa Pathway, in which country teams were invited to support small island developing States in mainstreaming the Samoa Pathway into national development plans and strategies. Another example is the occasional meetings between the senior management of the Office and country teams during visits to small island developing States.

58. The active participation of the Small Island Developing States Unit of the Office of the High Representative in regional and global processes has also been constrained, owing to a lack of resources for programmatic work, in particular for expert group meetings and travel.

E. Building linkages between the 2030 Agenda and the Samoa Pathway

59. Some three years into the implementation of the 2030 Agenda, increased support is needed in providing substantive backstopping support for intergovernmental negotiations. Both small island developing States units will need to provide more structured and targeted support in order to ensure increased coordination within the Alliance of Small Island States and increased engagement in the context of intergovernmental deliberations on the 2030 Agenda and other global frameworks. Along with their complementary functions, the Small Island Developing States Unit of the Department of Economic and Social Affairs will conduct research and policy analysis, the outcomes of which will be used by the Small Island Developing States Unit of the Office of the High Representative to extend substantive backstopping to the consultation processes of the Alliance of Small Island States and its participation in intergovernmental negotiations. In addition, in keeping with their respective complementary mandates, both small island developing States units are also expected to be active in all major United Nations working groups and task forces that have been established to assist United Nations governing bodies in their deliberations on the 2030 Agenda and other global frameworks. The Small Island Developing States Unit of the Department of Economic and Social Affairs will prepare small island developing States-related inputs, whereas the Small Island Developing States Unit of the Office of the High Representative will stage advocacy campaigns that build on the outcomes of the work of those working groups and tasks forces as it relates to small island developing States.

F. Forging strong partnerships

60. As discussed earlier, the small island development States units have been instrumental in mobilizing a larger number of stakeholders, including development partners, international and regional organizations, the private sector, civil society, academia and foundations, to ensure that small island developing States are supported in creating integrated and tailored solutions aimed at building resilience and achieving sustainable development in line with their own specific circumstances. However, with regard to building partnerships, more work is needed in providing structured, continuous and substantive support for the Steering Committee on Partnerships for Small Island Developing States and the annual global multi-stakeholder small island developing States partnership dialogue. Doing so will require channelling regular resources that are dedicated to enhancing advocacy and providing substantive backstopping support, including in the preparation of background documentation to inform the deliberations and the outcomes of those forums, as well as to providing effective follow-up, analysis and monitoring and review of the partnerships that are formed.

V. Conclusion

61. Small island developing States constitute a distinct group of developing countries that face extreme vulnerability. Such vulnerability is due to a conjunction of factors, including their high exposure to climatic, environmental and economic shocks, long distances from major markets, and small populations and landmasses. In addition to their vulnerabilities, such countries also have limited capacities and means to embark on the path of resilient development. The sum of the above is that small island developing States require special support from the international community, as reiterated in the outcomes of successive United Nations conferences and other intergovernmental deliberations on small island developing States and on sustainable development. The expanding mandates of both small island developing States units are derived from those outcomes.

62. Although the responsibilities and functions of the two units have increased significantly in their scope and complexity, resources have not increased. Improvements to coordination between the two units at different levels, in planning and carrying out joint activities, and in leveraging resources available within their respective departments or offices have improved the implementation of their initial mandates and have enabled them to initiate some activities pertaining to additional functions. However, the full extent of those additional functions cannot be realized without corresponding increases in resources. Both small island developing States units have also taken concrete steps to enhance coordination in the area of resource mobilization, such as joint efforts to raise extrabudgetary resources for the midterm review preparatory process.

63. For the Small Island Developing States Unit of the Department of Economic and Social Affairs, resource gaps and needs exist in the areas of research, policy development and technical analysis to enhance the Unit's efforts and capacity to ensure: (a) the monitoring of the mainstreaming by small island developing States of the Samoa Pathway and the Sustainable Development Goals into their national development frameworks; (b) the creation of effective linkages between the follow-up and review arrangements for the 2030 Agenda; and (c) the provision of support in preparing for the high-level political forum, including in building the capacity of small island developing States with respect to voluntary national reviews. Additional resources are also required to enhance the Unit's efforts in research, analysis, monitoring of and support for small island developing States partnership frameworks and to enhance its role in inter- and intra-agency collaboration.

64. For the Small Island Developing States Unit of the Office of the High Representative, the costs incurred by an increasing number of activities resulting from its original mandates and by initial steps taken to implement new and additional mandates have been predominantly financed from temporary provisions and extrabudgetary contributions. Without sufficient and sustainable resources, the Unit will not be able to fulfil all those mandates. Gaps persist with respect to mainstreaming the Samoa Pathway and issues related to small island developing States into the work of the United Nations system, and enhancing the coherence of small island developing States issues at the national, regional and global levels. The mismatch between mandates and resources is also evident with regard to: (a) partnerships, especially in providing substantive backstopping services to the Steering Committee on Partnerships for Small Island Developing States and in activities relating to forging partnerships for the implementation of the Samoa Pathway; and (b) building linkages between the 2030 Agenda and the Samoa Pathway, including through the substantive backstopping of the consultation processes of the Alliance of Small Island States, its participation in intergovernmental negotiations

and its contribution to United Nations working groups and task forces that focused on the 2030 Agenda.

65. To leverage their complementary strengths in carrying out their annual workplans and related activities, the two units should continue to improve their coordination and collaboration, including through joint planning and implementation of activities. Those efforts could also involve other key partners in the United Nations system, so as to enhance implementation and the translation of global mandates relating to the sustainable development agenda at the national and regional levels. Such strengthened coordination would not require a structural change in the subprogrammes, but rather the enhanced and continuous exchange of information and medium-term planning to ensure the best use of allocated resources, with a view to fostering synergies and preventing duplication. The programme of activities could be shared, ex ante, with small island developing State representatives, possibly through the convening of retreats on a regular basis, to allow the representatives to assess their priorities and plan the delivery of support accordingly, with the participation of development partners.

66. Both units should also systematically monitor their activities to support small island developing States and the allocation of related resources, indicating the source (regular budget or extrabudgetary), the beneficiaries (small island developing States) and how the activities relate to the respective mandates of the Department of Economic and Social Affairs and the Office of the High Representative.

67. At this critical juncture in the implementation of the Samoa Pathway and the 2030 Agenda, the gaps identified above need to be bridged in order for the Secretariat to fulfil its mandate to support small island developing States. Taking note of the findings of the present needs assessment, the General Assembly may wish to address the needs resulting from the expanding mandates given to the two units in the context of the repositioning of the United Nations development system, the reform of the Department of Economic and Social Affairs, the midterm review of the Samoa Pathway and the formulation of the programme budget for 2021.

68. It is also recommended that the General Assembly request the Secretary-General to include in his report to the seventy-fifth session of the General Assembly, under the agenda item on follow-up to and implementation of the Samoa Pathway, information on what has been done to address the needs resulting from the expanded mandates given to the small island developing States units in the Department of Economic and Social Affairs and the Office of the High Representative.